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NASA Procedural Requirements

NPR 4200.1E
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COMPLIANCE IS MANDATORY

NASA Equipment Management Manual

Responsible Office: Logistics Management Division

[Interim Policy on Control of Government Furnished Property, NM 4200-25 dated September 8, 2005](#) (NASA Only)

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Effective Date: July 2, 1999

PREFACE

P.1. PURPOSE

This NASA Procedures and Guidelines (NPG) 4200.1E, Equipment Management Manual, cancels the Equipment Management Manual (NHB 4200.1D). These guidelines serve to achieve the policy held within the NASA Policy Directive (NPD) 4200.1, Equipment Management. It offers procedural guidance to NASA personnel for the acquisition, management, responsibility, points of contact, and use of NASA-owned equipment. Centers are encouraged to customize their equipment management procedures to meet their local requirements. The Federal Acquisition Regulations, Part 45; the NASA FAR Supplement, Part 1845; and the terms and conditions of individual contracts establish the policies and procedures for contractor accountable, NASA-owned equipment and Center-accountable, NASA-owned equipment to the extent stated in the Installation-Accountable Government Property (IAGP) clause, (NASA FAR Supplement 1852.245.71). Equipment acquired and or furnished under NASA grants and cooperative agreements are subject to the requirements of NPG 5800.1, NASA Grant and Cooperative Handbook.

P.2. APPLICABILITY

This NPG applies to NASA Headquarters and NASA Centers, including Component Facilities and other institutionally accountable, NASA-owned equipment wherever located. When the provisions of this guidance conflict with provisions of international agreements and property manuals covering property at tracking stations in foreign countries, or the FAR, the NASA FAR Supplement, for contractor-accountable equipment, the provisions of these latter documents prevail.

P.3. AUTHORITY

This NPG is issued by the Logistics Management Office, Security, Logistics, Aircraft and Industrial Relations Division, Office of Management Systems and Facilities. It establishes guidance and procedures relating to the acquisition, use, maintenance, and management of all institutionally held NASA-owned equipment for NASA. The authority for its issuance is as follows:

- a. 42 U.S.C. 2473(c)(1), Section 203(c)(1) of the National Aeronautics and Space Act of 1958, as amended.
- b. 40 U.S.C. 471 et seq., the Federal Property and Administrative Services Act of 1949, as amended.
- c. 41 CFR Chapter 101, Federal Property Management Regulations, (FPMR).
- d. Federal Acquisition Regulation (FAR) Part 45, 48 CFR Part 45, Government Property.
- e. NASA FAR Supplement Parts 1845 and 1852, 48 CFR Part 1845 and 1852, Government Property.

P.4. REFERENCES

- a. NASA Financial Management Manual 9250, Personal Property Accounting.
- b. NPD 1387.1, NASA Exhibits Program.
- c. NPD 4200.1, Equipment Management.
- d. NPD 4300.1, NASA Personal Property Disposal Policy.
- e. NPD 8621.1G, NASA Mishap Reporting and Investigating Policy.
- f. NPD 9800.1, NASA Office of Inspector General Programs.
- g. NPG 3752.x, Disciplinary and Adverse Actions.
- h. NPG 4200.2B, NASA Equipment Management Procedures and Guidelines for Property Custodians.
- i. NPG 4300.x, NASA Personal Property Disposal Procedures and Guidelines.

- j. NPG 4310.x, Identification and Disposition of NASA Artifacts.
- k. NPG 5800.1, Grant and Cooperative Handbook.
- l. NPG 7900.x, Center Flight Operations Procedures.
- m. NPG 8715.x, Guidelines for Mishap Reporting, Investigating, and Recordkeeping.

P.5. CANCELLATION

This NPG cancels NHB 4200.1D Equipment Management Handbook, dated April 1992.

/S/

Jeffrey E. Sutton,
Associate Administrator
for Management Systems

Date

CHAPTER 1: General Information

1.1. General Information for Equipment Management

1.1.1. Purpose. This part sets forth equipment management guides with respect to the budgeting, acquisition, documentation, utilization, NASA contractor use of the NASA Equipment Management System (NEMS), maintenance, inventory, and disposal of NASA-owned equipment.

1.1.2. Guidance Information (Reserved)

1.1.3. General

1.1.3.1. Government equipment is not owned by the holder, and action will be taken, when it makes economic and programmatic sense, to move such equipment from one use and user to another, including movement among offices, functions, programs, contractors, and Centers. Government property is to be used exclusively for the conduct of official business. 1.1.3.2. NASA Division Directors (or chief or equivalent organization head), through their Center Directors, and in accordance with this manual, are the primary officials responsible for the equipment assigned to their organizations, including equipment condition and use thereof. (Note: When used in this NPG, Division Director includes chief or equivalent organization head.)

1.1.3.3. All equipment acquired by NASA, including that held under lease or loan, will be managed in accordance with this manual. 1.1.3.4. As described in the NPD 4200.1, Equipment Management, the NASA Equipment Management System (NEMS) will be used by all NASA organizations to identify, account for, and control Center-held equipment. The system requires accurate and complete item description, location, condition, and availability status so as to permit cost-effective and programmatic Agencywide control, equipment accountability, and reuse consideration wherever located.

1.1.4. Equipment Acquisition

1.1.4.1. Only that equipment necessary for the performance of NASA requirements will be acquired. Alternative methods such as leasing, borrowing, or using contractor-owned equipment should be evaluated by the Center office involved prior to the initiation of new procurement.

1.1.4.2. Equipment nomenclature and description provided by the requiring office will be of sufficient detail to facilitate screening and subsequent identification and documentation consistent with the provisions of this guidance.

1.1.4.3. Prior to acquisition of equipment, valued at \$25,000 or more, existing equipment resources will be screened (excess property, supply) in accordance with NPG 4300.x, NASA Personal Property Disposal Procedures and Guidelines.

1.1.5. Recordkeeping. Records describing NASA equipment and actions affecting this equipment will be maintained as prescribed in this guidance, the Financial Management Manual (FMM), and other applicable regulations.

1.1.6. Utilization. Each Center will accomplish walk-through inspections of equipment annually to ensure that equipment reportable to the NASA Equipment Management System is classified in the appropriate use status. Equipment no longer required for the performance of a specific NASA requirement will be reported to the Property Disposal Officer for reutilization screening throughout NASA. 1.1.7. Inventory. As described by the NPD 4200.1, NASA-held equipment will be inventoried to determine the effectiveness of property control records and procedures and to obtain information needed for accomplishing all aspects of equipment management. Equipment will be inventoried pursuant to the requirements set forth herein.

1.1.8. Disposal. Each Center will maintain an effective program for timely disposal of equipment no longer required by NASA. Disposal will be accomplished in accordance with the requirements set forth in NPG 4300.x, NASA Personal Property Disposal Procedures and Guidelines.

1.1.9. Equipment Loan Policy

1.1.9.1. It is NASA policy that NASA-held equipment and materials, and contractor or grantee-held equipment, may be made available to organizations, private individuals, corporations, or other entities, provided the loan of such

equipment is in the public interest and meets the conditions described in NPD 4200.1. Loans to NASA and onsite contractor employees will be in compliance with NPD 4200.1. All loans will be monitored by the Center equipment management organization.

1.1.9.2. Government-owned and furnished equipment under contracts or grants will be provided under the terms of the appropriate instrument, and subject to the requirements of the FAR, NASA FAR Supplement, and NPG 5800.1, Grant and Cooperative Agreement Handbook.

1.1.9.3. Equipment loaned solely for use as a display or for use in an exhibit will be provided under the provisions of NPD 1387.1, NASA Exhibits Program. Controlled equipment, used for display or exhibit purposes, will remain in the NEMS data base, accountable to the cognizant property custodian. 1.1.10. Equipment Acquired with Reimbursable Funds from Other Federal Agencies. Capital equipment acquired with funds reimbursable by another Federal agency will be controlled and accounted for by NASA, following all procedures of chapter 3.

1.1.11. Equipment Transfer. Section 203(c)(6), National Aeronautics and Space Act of 1958, as amended, 42 U.S.C. 2473(c)(6), provides that "Each department and agency of the Federal Government shall cooperate fully with the Administration (NASA) in making its services, equipment, personnel, and facilities available to the Administration, and any such department or agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Administration, without reimbursement, aeronautical and space vehicles, and supplies and equipment other than administrative supplies or equipment."

1.1.12. Equipment on Lease or Loan to NASA. Equipment items on lease or loan to NASA will be identified and tracked by the Center equipment management organization.

1.1.13. Artifacts. The handling of artifacts will follow the procedures stated in NPG 4310.x, Identification & Disposition of NASA Artifacts.

1.1.14. NASA Contractors' use of NEMS. The use of NEMS by the NASA contractors is subject to the requirements of the FAR and the NASA FAR Supplement.

1.2 Equipment Management Responsibilities

1.2.1. Purpose. This part sets forth the responsibilities of appropriate personnel, at each NASA Center, required for NASA's equipment management program.

1.2.2. Responsibility. The Associate Administrator for Management Systems and Facilities is responsible for establishing equipment management policies and guidance for assessing the effectiveness of implementation. The Director of each Center will assign a Supply and Equipment Management Officer (SEMO) (no lower than the Center Property Manager) to implement an effective equipment-management program. It is recommended that each operating location follow the procedures contained in this NPG and develop appropriate local procedures that conform to the requirements of the NPD 4200.1. The method used in equipment management by each Center is at the discretion of the SEMO or designee. Any deviations will be authorized only when special circumstances identify that such deviations are clearly in the best interest of the Government. Such deviations will be approved only by the Center SEMO.

1.2.3. Guidance Information (Reserved).

1.2.4. Headquarters (Agency) Logistics Manager. The Headquarters Logistics Manager will:

1.2.4.1. Establish policies and provide guidance to the Center Supply and Equipment Management Officers.

1.2.4.2. Provide direction and ensure allocation of necessary resources for the operation and maintenance of the NEMS and related systems and procedures.

1.2.4.3. Review and initiate action to issue, amend, or cancel NASA instructional and guidance material governing the equipment management activities of the Agency.

1.2.4.4. Assist in the management of NASA Centers in the development and operation of internal systems and ensure their compatibility with Agency programs.

1.2.4.5. Develop necessary reports on the overall implementation of equipment management programs and report periodically on that implementation to senior NASA management.

1.2.4.6. Conduct reviews and assessments of equipment management activities and report significant findings to NASA management.

1.2.5. Supply and Equipment Management Officer (SEMO). The SEMO or designee is responsible for providing functional management and leadership in the implementation of an effective equipment management program, ensuring that all personnel associated with the utilization of Government equipment receive and review these procedures and guidelines. The SEMO will periodically report to the Headquarters (Agency) Logistics Manager to ensure integrity of the program. It is the responsibility of the SEMO to ensure that equipment personnel are performing assigned property functions. Each Center will prescribe appropriate procedures for user management of equipment that is consistent with the provisions of this manual. These procedures require that heads of organizations periodically report to the SEMO concerning user activities, including walk-through results as needed and the use and effectiveness of equipment pools, if applicable.

a. It is the responsibility of the SEMO to ensure that all equipment loans, including those that support Special Programs, are properly administered and to provide guidance to the Division chiefs and end users in reporting all controlled property to the logistics organization for proper control. If the responsible parties are not cooperating, it is the responsibility of the SEMO to find an alternate method or other persons to perform said functions.

b. The SEMO is responsible for ensuring that a self assessment is conducted for the equipment management area and that it is consistent with Agency policy. The SEMO or designee shall develop and maintain functional area performance metrics to measure program effectiveness, customer satisfaction, and process improvement. Additionally, the SEMO shall: Develop areas of evaluation that coincide with other logistic functions; develop a listing of areas to assess which provides an accurate review of the Equipment Management Program and program risk; implement the requirements of the Agency Self Assessment Policy as it relates to equipment management; document the results of the self assessment; and implement equipment management policy and operational improvements identified by the self assessment. In general, the SEMO's are responsible for the following:

1.2.5.1. Providing oversight of all equipment assets assigned to their Center.

1.2.5.2 Approving and allocating equipment resources at their Center in the most effective and efficient manner.

1.2.5.3. Providing direction and necessary resources to ensure accomplishment of prescribed property-control and equipment-accountability requirements.

1.2.5.4. Identifying inactive equipment.

1.2.5.5. Ensuring compliance with the procedures regarding loss, damage, or destruction of property and ensuring that the functions of the Property Survey Board or equivalent forum are being administered.

1.2.5.6. Implementing the necessary equipment control procedures to ensure that the Center equipment management system adequately provides for the care, management, and protection of Center-held equipment; provide for the establishment, operation, and maintenance of the NEMS database; and approve and periodically evaluate NEMS implementation of policies and procedures by reviewing the following:

a. The controls and record maintenance established for NEMS at the Center.

b. Items designated for control as sensitive equipment.

c. Controls established and maintained for sensitive items.

d. Records of controlled equipment transactions of the Center and its contractors with respect to NEMS Central Data Base (CDB) updates.

e. Property management areas and property custodian assignments and training.

f. Inventory documentation, followup actions, and results.

1.2.5.7. Approving or assigning a designee to approve all NEMS global changes.

1.2.5.8. Designating, in writing, the Center inventory team and inventory process.

1.2.5.9. Ensuring that prescribed physical inventories of controlled equipment are taken and coordinated in accordance with Center policy; ensuring the physical inventory of a property management area when a new property custodian is assigned, and directing special inventories, as appropriate.

1.2.5.10. Ensuring that the Property Survey Officer and Property Survey Board (or equivalent) have been appointed and are fully informed of their duties.

1.2.5.11. Establishing and maintaining interfaces with institutional and industrial organizations using and administering NASA personal property.

1.2.5.12. Establishing a transaction cutoff date with the Financial Management Officer and reviewing and approving with the Financial Management Officer the semiannual reconciliation of the NEMS equipment records and the finance equipment type accounts (1551 through 1563).

1.2.5.13. Establishing and publishing a Center Sensitive Equipment Items List.

1.2.5.14. Appointing full-time property custodians, in-house or by contract, to be responsible for the management of property (generally 5,000-8,000 equipment items) by geographic location.

1.2.5.15. Overseeing the management of program property. Division Directors and equipment users will continue to be responsible for the use, care, and protection of assigned equipment.

1.2.5.16. The SEMO is responsible for ensuring the implementation and proper administration of the Center's policy concerning the removal of property.

1.2.6. Division Director (Note: when used in this NPG, Division Director includes chief or equivalent organization head or designee.)

1.2.6.1. The Division Director is the principal official in the NASA Equipment Management Program who is responsible for the equipment assigned to the organization, including all aspects of equipment condition and equipment use and the accomplishment of walk-through inspections. The Division Director is responsible for ensuring that equipment loans are valid and essential to accomplish assigned projects; for all equipment that is being utilized by the employees of their division, and for ensuring that loss, damage or destruction of such equipment is promptly investigated and reviewed to prevent recurrences. The Division Director reviews and submits survey reports, specifies corrective actions and, in consultation with other appropriate Center officials, acts on Center Property Survey Board recommendations. (Also see 3.3.10).

1.2.6.2. The Division Director is responsible for appointing, or when applicable reappointing, appropriate property custodians, ensuring that appointees will have proper oversight and knowledge of the equipment utilized within their areas.

Division Directors, property custodians, and those users who remove equipment must be in full compliance with the policy and procedures established by the SEMO in property removal from the Center.

1.2.7. Property Custodians

1.2.7.1. Property custodians are designated for each property management area or program area by the head of the organization concerned, usually the Division Director or chief, with the concurrence of the SEMO. Full-time property custodians may be appointed by the SEMO. Property custodians may follow set processes which may be streamlined or altered at the discretion of the SEMO. 1.2.7.2. Property custodian responsibilities and procedures are defined in NPG 4200.2B, NASA Equipment Management Procedures and Guidelines for Property Custodians.

1.2.8. NASA Employees

1.2.8.1. An employee has an affirmative duty to protect and conserve Government property, including equipment, supplies, and other property entrusted to the employee. It is the user's responsibility to follow all rules and regulations associated with the property being utilized. Additional employee responsibilities include the following:

- a. Notifying the cognizant property custodian, supervisor, and the Center Security Officer immediately if theft of Government property is suspected and the equipment cannot be located.
- b. Ensuring that Government equipment is used only in pursuit of approved NASA programs and projects.
- c. Identifying equipment not being actively used in pursuit of approved NASA programs and projects.
- d. Ensuring that equipment is turned in to the Property Disposal Officer through the cognizant property custodian when no longer needed. Under no circumstances will an employee dispose of Government equipment.
- e. Retaining stewardship of all items assigned to him or her as the primary user.
- f. Notifying cognizant property custodians of all activity/movement associated with the user's assigned equipment.

1.2.9. Center NEMS Equipment Manager (or designee). The Center NEMS Equipment Manager is responsible for ensuring Center compliance with the Federal Property Management Regulations to maximize equipment reutilization and to minimize procurement of new equipment. The Center NEMS Equipment Manager is appointed by the Center's

SEMO and serves as the key interface among the equipment-using organizations and the property custodians and equipment users. The Center NEMS Equipment Manager is primarily responsible for the following:

1.2.9.1. Establishing appropriate controls, maintaining adequate records, and cataloging functions for all equipment at the Center.

1.2.9.2. Ensuring that NEMS regularly requested reports are periodically reviewed, revised as needed, and produced as scheduled.

1.2.9.3. Controlling approved global changes to the NEMS data base.

1.2.9.4. Controlling record data changes. A record data change will change one or more data elements in a single record. The Center NEMS Equipment Manager is responsible for ensuring proper use of standard codes in establishing and maintaining the NEMS data base and for processing and maintaining NEMS data.

1.2.9.5. Determining items which will be designated for control as sensitive equipment.

1.2.9.6. Ensuring the designation of property management areas and that property custodians are appointed and trained.

1.2.9.7. Providing property custodians with transaction documents and a summary report for controlled equipment items in their assigned property management area.

1.2.9.8. Reviewing the records and performance of property custodians.

1.2.9.9. Developing the cyclic and sensitive item inventory schedules as needed.

1.2.9.10. Reconciling and adjusting equipment records as a result of inventory actions such as--

1.2.9.10.1. Ensuring the SEMO review equipment record adjustments resulting from physical inventories, including the need for greater attention to prescribed controls or better procedural guidance.

1.2.9.10.2. Documenting inventory results for submittal by the SEMO to Division Directors and property custodians, and ensuring that written inventory summary reports are provided to other appropriate Center personnel and are properly maintained.

1.2.9.10.3. Coordinating the records of controlled equipment transactions of the Center and its contractors for update of the NEMS CDB.

1.2.9.10.4. Conducting a semiannual reconciliation of NEMS equipment records with the equipment-type accounts maintained by the Financial Management Office. Differences will be mutually resolved and ending balance of Center held capital equipment will be established for reporting purposes; the reconciliation will be jointly approved by the SEMO and the Financial Management Officer.

1.2.9.10.5. Processing item and value adjustments for NEMS transactions so that the net results are reflected in NEMS Report 410, which is submitted to the SEMO on or by March 31 and September 30.

1.2.10. NASA Contractors and Contracting Officers

1.2.10.1. NASA contractors are responsible for equipment and other property as set forth in the Federal Acquisition Regulation, the NASA FAR Supplement, and the applicable contract.

1.2.10.2. Contracting officers are responsible for ensuring that Government-furnished equipment or contractor-acquired equipment are managed pursuant to the provisions of the contract. In authorizing contractors' purchase or use of Government equipment, contracting officers will ensure that the following:

a. Requirements are verified by the appropriate project office.

b. Contracting officer written consent is obtained pursuant to FAR 52.244-2.

c. Written determinations are executed by the appropriate Center official pursuant to FAR 45.302-1(a)(4) and NASA FAR Supplement 18-45.302-1.

d. Existing Government assets are screened pursuant to NASA FAR Supplement 18-52.245-70.

e. NASA requirements for property management by contractors are included in the delegations instructions when property administration is delegated to other agencies.

f. On site contractors will comply with the provisions herein as it pertains to contractor employee loans.

1.2.11. Industrial Property Officer. The Industrial Property Officer is the individual designated by the Center Director to manage and coordinate Center property matters among the various contracting officers, technical officials, contractor officials, and delegated property administrators, and plant clearance officers. The responsibilities of the Industrial Property Officer, under the Contract Property Management Program, are outlined in NASA FAR Supplement 18-45.7205. Generally, the Industrial Property Officer is responsible for the Contract Property Management function; the Center is responsible for the entire function regardless of the way it is organized and distributed. This function includes the performance of required property administration and plant clearance when required but not delegated to the Department of Defense. 1.2.12. Center Equipment Management Personnel, as designated by the NEMS Equipment Manager and approved by the SEMO, are further responsible for the following:

a. Identifying, categorizing, classifying, and coding all existing and newly acquired Center-held equipment and contractor-held equipment. Before an equipment record is created, a NEMS controller will review and record the valid manufacturer, manufacturer's model number, and standard item name by major noun with appropriate modifiers.

b. Reviewing the NASA Form 1602's, NEMS Transaction Documents, submitted by property custodians for equipment change and delete transactions, ensuring appropriate supporting documentation is attached.

c. Assisting property custodians and equipment users in the proper procedures and documentation of the following equipment actions: loans, transfers, turn ins, excess, repairs, storage, calibration, replacement, modification or cannibalization, fabrication, found on station, and survey reports for lost, damaged, or destroyed equipment.

d. NEMS Control (located within the Center's equipment management organization) is responsible for entering the final transaction data on the receiving report and proofing the document for completeness. This final transaction information is then keyed into the data base and processed into NEMS. All necessary data are subsequently microfiche or microfilmed and the accountable property custodian is notified. All necessary data recorded at this point, and a NASA Form 1602, are generated and forwarded to the accountable property custodian.

1.2.13. NEMS Configuration Control Board. This group is a permanent technical control group responsible for maintaining configuration control for the system. Members come from each Center and NASA Headquarters. The Board Chairperson convenes the group as necessary. The Board's Charter and Configuration Control Document, NASA Form 1620, can be obtained from the Logistics Management Team, NASA Headquarters. 1.2.14. Financial Management Officer

1.2.14.1. The Financial Management Officer will conduct a semiannual reconciliation of equipment type accounts with the property records maintained by the SEMO. Differences will be mutually resolved; ending balances of Center-held capital equipment will be established for reporting purposes.

1.2.14.2. Corrective adjustments will be processed so that the net results thereof are reflected in all financial reports submitted as of September 30., (i.e., the Analyses of Fixed Assets Report (NASA Form 1490); the account balances submitted via the General Ledger Accounts System (GLAS), and the year-end Supplemental Analyses Schedule, required by Financial Management Manual 9352.

1.2.14.3. The detailed property records required by this Manual will not be duplicated by the Center Financial Management Officer. Entries in the Center financial accounts will be independently developed by accounting personnel to the maximum extent practicable as set forth in Financial Management Manual 9255-5.

1.2.15. Security Officer or Office. The Center Security Officer will keep the SEMO fully informed concerning reported or suspected losses of Government property. 1.2.16. Property Survey Officer. Center Directors will appoint, for a

specified term, a Center Property Survey Officer with authority to approve all survey reports and investigate survey reports not handled by the Property Survey Board. The Property Survey Officer may refer surveys to the Property Survey Board or SEMO for their action. Supply and Equipment Management Officers, their supervisors, or subordinates will not be designated as Property Survey Officers. 1.2.17. Property Survey Board or Equivalent. Center Directors will establish a Property Survey Board, for a specified term, composed of two or more members (with alternates, as appropriate) and a chairperson who will investigate and make recommendations to the appropriate management level concerning the loss, damage, or destruction of property equal to or greater than \$1,000 or more in acquisition value. Loss, damage, or destruction cases involving items valued under \$1,000 do not require property Survey Board review. These cases require only the Property Survey Officer's actions. The Center SEMO may develop alternative methods of achieving the Survey Board's mission, if it is found that the Board is ineffective.

1.2.18. Property Disposal Officer (PDO). The Center Property Disposal Officer is responsible for the utilization and marketing of NASA personal property no longer needed by the acquiring organization. The PDO ensures that available NASA accountable property, including equipment, is transferred for further use to other NASA organizations

(including NASA contractors), other Federal agencies, and eligible donors (including State and local governments, schools, and colleges), in compliance with all applicable Federal laws and regulations. The PDO ensures that remaining equipment is sold to the general public in compliance with all applicable Federal laws and regulations.

1.3 Support for Special Programs

1.3.1. Purpose. This part sets forth equipment policies and practices necessary to support special programs sponsored by the Federal Government.

1.3.2. Guidance Information (Reserved).

1.3.3. Small Business Innovation Research Program

1.3.3.1. To comply with Public Law 102-564, "Small Business Research and Development Enhancement Act of 1992" (an amendment to Public Law 97-219, effective July 22, 1982), special provisions regarding equipment loans will be implemented by the Agency. Profit-seeking organizations participating in the Small Business Innovation Research program will receive consideration relating to Government property as represented in the following paragraphs:

a. If the reclamation of property provided to profit makers leads to cost inefficiencies on the part of the Agency.

b. When it is not cost-effective to permit retention and title transfer to the small business as outlined in NPG 4300.x, NASA Personal Property Disposal Procedures, the 1992 Act provides for a bailment (loan) of property to the small business for a period of not less than 2 years from the initiation of Phase III of the Small Business Innovation Research activity.

1.3.3.2. Loan agreements for Phase III activity will be requested by the contracting officer and accomplished by the SEMO to include the following special provisions:

- a. The Phase III loan agreements will be separate agreements from the Phase I and Phase II contracts.
- b. Loans to SBIR and other profit-making organizations will be administered by placing equipment on loan under Center inventory control and will be certified annually beginning with the third year.
- c. The loan agreements will require no annual recertification or renewal during the first 2-year loan period but will be recertified annually, beginning with the third year.
- d. The loan agreements will be accomplished on a priority basis.
- e. The loan must be coordinated with the appropriate contracting officer.
- f. Supply and Equipment Management Officers are authorized to sign Small Business Innovation Research loans.
- g. These provisions are in lieu of existing loan provisions. Accountability and control aspects of the loans will be administered in accordance with the provisions of this guidance.

1.3.4. High Performance Computing and Communications Program

1.3.4.1. To comply with the High Performance Computing and Communications Act of 1992, special provisions regarding equipment loans will be implemented by the Agency.

- a. Schools participating in the High Performance Computing and Communications program will receive special consideration relating to Government property.
- b. The acquisition of equipment for the purpose of loans to k-12 schools is permitted in accordance with the High Performance Computing and Communications Act.

1.3.4.2. Loan agreements for High Performance Computing and Communications activity will be requested by the schools and accomplished by the SEMO to include the following special provisions:

- a. The loan must be coordinated with the appropriate Center High Performance Computing and Communications organization and Office of Chief Counsel.
- b. Supply and Equipment Management Officers are authorized to sign High Performance Computing and Communications loans.
- c. These provisions are in lieu of existing loan provisions. Accountability and control aspects of the loans will be administered in accordance with the provisions of this handbook (See part 3.4).

CHAPTER 2: Equipment Acquisition and Use

2.1 Equipment Acquisition

2.1.1. Purpose. This chapter establishes uniform guidelines for the administration of equipment acquisition as it relates to property control and the Logistics Organization, including the preparation and coordination of equipment specifications, identification of unique equipment, and the approval to acquire. The receipt of all equipment that has not come through the Central Receiving will be reported immediately to the SEMO via fax, or a copy of the purchase order, electronic mail (e-mail), or telephone call. All items of NASA equipment will be acquired and used only to support official program or institutional operations. Equipment includes all items of personal property configured as mechanical, electrical, or electronic tools and apparatus, which function independently or in conjunction with other equipment, that has a useful life of 2 years or more, and is not consumed in an experiment. This section is for equipment-using organizations and applies to controlled equipment which is acquired and used by NASA Centers. Controlled equipment is defined in Appendix A, Definition of Terms. This chapter sets forth administrative requirements for the acquisition and use of new or replacement equipment. NASA contractors shall acquire equipment in accordance with the FAR and NASA FAR Supplement.

2.1.2. Guidance Information (Reserved).

2.1.3. Developing Cost Estimates.

2.1.3.1. Cost estimates for capital equipment, to be acquired with Human Space Flight (HSF), Science Aeronautics and Technology (SAT), and Mission Support (MS) funds and used at NASA Centers, and items costing \$250,000 or more, or items collectively costing \$1 million or more for the same purpose may require preparation of supporting documentation.

2.1.3.2. Separate documentation may be required for equipment items with related Center facility projects that meet the major equipment acquisition dollar levels.

2.1.4. Identification of Unique Equipment. Specialized equipment items or equipment systems generally not commercially available which, by design or function, may be subsequently redistributed and used for other purposes will be designated as unique equipment at the time the equipment becomes inactive. The determination should be made by the cognizant Division Director or chief in coordination with the NEMS equipment manager. When unique equipment becomes inactive, it must be reviewed throughout NASA for other use following the screening procedures.

2.1.5. Equipment Acquisition Documents. The use of the Equipment Acquisition Documents Forms (NASA Form 1511) is at the discretion of each Center through mutual agreement between the Financial Management Officer and the SEMO. In lieu of the Equipment Acquisition Document form, copies of purchase orders or documentation supporting the estimated costs of fabricated or prototype items may be used.

2.1.6. Procedures For Approving All Capital Equipment Acquisitions

2.1.6.1. These procedures will establish equipment-approval authority at a level which ensures that the approving officer is knowledgeable of the overall equipment requirements, the Center Director's equipment acquisition policy, and other Agency policy. The approving official will ensure that a review of the requirement is made by technically qualified personnel, preferably independent of the requiring office, and will ensure that coordination is effected with any offices functionally responsible for management and control of the equipment. Examples of equipment which are subject to such reviews are transportation, photographic, automatic data processing, aircraft, safety, and weapons.

2.1.6.2. Prior to acquisition of an item valued at more than \$25,000, the contracting officer will ensure that appropriate consideration has been given to the Agency's existing equipment assets and that screening efforts have been accomplished through the Center's Disposal Office.

2.1.6.3. When transfer or loan from another Government agency or NASA Center is involved, the SEMO may be contacted for shipping and handling instructions. Requests for NASA Headquarters assistance in obtaining equipment from other Government agencies will be coordinated by the SEMO, the Property Disposal Officer, and, if needed,

Headquarters (Agency) Logistics Manager.

2.1.7. Prescreening of NASA Property Disposal Management System (NPDMS). For an item of equipment estimated to cost more than \$25,000, the requesting office should contact the Center Property Disposal Officer for the prescreening of NASA NPDMS records prior to initiation of a procurement request. Screening should be done to determine the availability of candidate equipment which may satisfy the requirement and, thus, avoid a new acquisition. This informal prescreening technique is designed to reduce lead time and paperwork in the event that existing equipment can be used. Also see chapter 4.2.

2.1.8. Approving Contractor Proposals for Equipment. Contractor proposals for equipment acquisition will be processed and administered pursuant to the guidelines set forth in the FAR and NASA FAR Supplement and will be submitted to the cognizant contracting officer for approval.

2.1.9. Equipment Subject to Special Controls and Reporting Requirements. Additional special controls and reporting requirements are established for the following equipment:

2.1.9.1. Motor Vehicles. Separate annual calls are made for the Office of Management and Budget (OMB) and congressional budget submissions. Specific policies and procedures for the authorization, acquisition, utilization, and disposal of vehicles are set forth in NPD 6200.x, NASA Transportation and General Traffic Management. Federal Property Management Regulations, Amendment G-47, requires that passenger-carrying vehicles and trucks achieve a fleet average fuel economy as established by the Secretary of Transportation. In this regard, purchase requests and documentation submitted to the General Services Administration must include a NASA Form 925, Motor Vehicle Authorization and Certification, which has been approved or certified by the Logistics Management Team, NASA Headquarters.

2.1.9.2. Aircraft. The policies and procedures for aircraft acquisition are set forth in NPG 7900.x, Center Flight Operations Procedures. The guidance herein is for accountability and control.

a. To ensure control accountability, control and visibility of NASA aircraft, the Center Aircraft Management Officer (AMO) will provide data to the Center SEMO for inclusion into the NEMS equipment file.

b. The AMO will identify the purpose and use of all NASA-owned aircraft, active and inactive (e.g., decommissioned, displayed, parts, program support, research). The AMO will identify aircraft obtained solely for spare parts or for future programs; these aircraft will be accounted for in NEMS as a spare parts aircraft. The purpose and use may be incorporated into the item name or documented in the local data field.

c. The AMO will identify on the NEMS record the Federal Aviation Administration Registry Number or the NASA tail number of each aircraft. The number will be entered into the Unique Equipment Number field of the record.

d. The AMO must submit a Cannibalization/Modification Request (NASA Form 1617) for each aircraft acquired or identified as a spare parts aircraft. The SEMO and the Financial Management Officer must be notified on an annual basis of all value adjustments, or when the value of the aircraft drops 10 percent or more. The Cannibalization/Modification Request form will be reviewed, approved, and maintained on file, and cost value adjustments will be processed accordingly.

e. Based on the information provided by the Aircraft Management Officer, the SEMO will ensure that the NEMS equipment record for aircraft is accurately updated. Center-owned aircraft and stock shall be under appropriate Center inventory and financial accounting controls. Annual physical inventories of Center-owned aircraft, including spares aircraft, will be taken to determine the accuracy of the records and the NEMS control system. Adjustments will be made to ensure that financial statements are accurate. The results will be reconciled by the Aircraft Management Officer and SEMO and forwarded to the Center Financial Management Officer.

2.1.10. Equipment Acquired for Use in Mission Support Under the Space Tracking and Data Systems Program

2.1.10.1. NASA Centers acquiring space-tracking and data-systems-funded equipment will not prepare NASA Form 1511, Equipment Acquisition Document, for such equipment.

2.1.10.2. The acquisition of space tracking and data systems equipment will be subject to the Work Authorization Document (WAD) procedures established by the Space Operations Program. The acquisition of all tracking and data acquisition equipment will be administered only in accordance with these established procedures.

2.1.10.3. The Deputy Associate Administrator for Space Communications, Office of Space Flight, will provide to the SEMO input for the congressional budget for WAD-approved equipment acquisitions as set forth in the annual budget call. Also, by November 15 of each year, the Office of Space Flight will provide a report for the preceding fiscal year

of actions taken by Centers for the acquisition of equipment as required.

2.1.11. Fabrication of Equipment

2.1.11.1. Equipment which is fabricated at or by a NASA Center will be sufficiently identified to enable appropriate Federal Supply Class identification and equipment accountability.

2.1.11.2. Documentation for, and description of, fabricated equipment will be developed and furnished to the SEMO for use in determinations regarding the physical control of such items.

2.1.12. Acquisition of Office Furniture. Prior to the purchase of office furniture, the acquiring activity will check the local excess inventory for items that can be reused. Items of office furnishings, costing \$5,000 or more, will be controlled as capital equipment.

2.2 Equipment Use

2.2.1. Purpose. This part establishes guidelines for the use, custody, care, and reporting of controlled equipment while in the hands of using organizations.

2.2.2. Guidance Information (Reserved)

2.2.3. Property Management Areas. Property management areas --See Appendix A - Definition of Terms--are required to ensure effective control and surveillance of equipment while in the possession of the responsible organizations. When defined, the SEMO will ensure establishment of and approve a property custodial account number for each area. The custodial account number will identify all controlled equipment assigned within the area for which the head of the user organization is responsible. The account number will be used for recording transactions against the account in the Center's NEMS data base.

2.2.4. Assignment and Responsibilities of Property Custodians.

2.2.4.1. A property custodian shall be assigned for each defined property management area. The duties of the property custodian are set forth in NPG 4200.2B, NASA Equipment Management Procedures and Guidelines for Property Custodians.

2.2.4.3. Whenever an equipment custodial account is difficult to manage, due to either the location or nature of use, the property custodian will assign the equipment to a primary user. The primary user will assume responsibility for stewardship of the equipment and should report any changes of status, location, or user to the property custodian.

2.2.5. Walk-through Inspections.

2.2.5.1. Walk-through inspections are required by FPMR Sections 25.109-25.109-2 and 101-43.101, and will be performed annually by each Division Director, or designee, accompanied by the property custodian. The walk through inspection will include all locations both onsite and offsite for each property management area for the following purposes:

a. Identifying inactive or underused equipment for reutilization or retention in inactive storage. The Division Director or designee will identify, based on the knowledge of future programs, and approved by the Center Director, equipment that is no longer required or which is expected to become inactive in the near future.

b. Inspecting the equipment to ensure that scheduled or necessary maintenance is being performed as required and that calibration of equipment is up to date and in keeping with established performance requirements.

2.2.5.2. Each NEMS item identified as inactive, including those in storage, will be reported to the NEMS Equipment Manager.

2.2.5.3. A Memorandum for Record, covering the results of the walk-through, will be prepared by the Division Director, and a copy will be maintained on file by each property custodian for each property management area, and a copy will be forwarded to the SEMO.

2.2.5.4. The SEMO will prepare a report annually for the Center Director, describing the previous calendar year's walk-through program and results.

2.2.6. Sensitive Equipment Items

2.2.6.1. Equipment items that have an acquisition cost of \$100 or more, and are easily pilferable and desirable for personal use, will be identified as sensitive equipment. Weapons and other potentially hazardous equipment items, that

are offensive and dangerous in nature, will be controlled as sensitive, regardless of cost.

2.2.6.2. Appendix C of this guidance identifies required items of equipment that must be controlled as sensitive. Additionally, the Center SEMO may add other items of equipment in response to the need for added controls.

2.2.6.3. Each property custodian shall establish the following special controls for the sensitive items that have been identified in their respective NEMS account(s):

- a. Sensitive items will be assigned to the primary user. The property custodian will obtain the user's signature on appropriate documentation. This will be submitted to NEMS Control for processing if the Property Custodian Module is not used. As an operational option, the user's signature can be obtained after the fact, normally within 10 working days. The primary user assumes responsibility for surveillance of the sensitive items and should report to the property custodian any changes of equipment status or location, or user.
- b. Sensitive items will be secured, when practical, when not in use.
- c. Sensitive items will not be out of possession or control of the person to whom they are assigned.
- d. All loans of sensitive items will be revalidated as required by the property custodian; however, sensitive items in Centerwide pools are exempt from this revalidation requirement.
- e. The assigned primary user must be able to produce all sensitive items not on documented loan within 24 hours.
- f. Due to their inherent pilferable nature, special care should be taken to ensure that underutilized sensitive items are not stored locally for extended periods of time.

2.2.6.4. At the discretion of the SEMO, an unannounced special inventory of sensitive items may be made by the property custodians to verify that the special controls have been established and that all sensitive items are accounted for. The SEMO can provide the listings by using NEMS Report 140, Custodian Account Property Record, selecting sensitive items only.

2.2.7. Loan of Equipment

2.2.7.1. NASA equipment may be loaned to Government and non-Government organizations, private individuals, corporations, or other entities, provided the loan is in the public interest and meets the following criteria:

- a. The loan will be temporary.
- b. It will benefit the Government.
- c. The borrower acquires no rights to the equipment.
- d. The equipment is not modified.
- e. The Center SEMO approves and, where applicable, the Office of the Chief Counsel concurs.

2.2.7.2 Custodian records of loaned or borrowed equipment will continue to be maintained by the lending property custodian. All loans off the Center will be made as prescribed.

2.2.7.3. Loans of equipment for use at home or for telecommuting initiatives must be necessary or beneficial to the conduct of NASA's missions or other official Government purposes. These loans will be approved initially for 6 months.

2.2.8. Cannibalization of Equipment

2.2.8.1. Equipment may be cannibalized-See Appendix A, Definition of Terms- when justified to fulfill equipment requirements. Written approval of the responsible Division Director has to be obtained prior to disassembly of equipment. This approval will be documented using NASA Form 1617, Request for Cannibalization or Modification of Controlled Equipment.

2.2.8.2. Requests will include the equipment control number, brief description to include the make, model, serial number, and value of the item to be cannibalized, and a brief statement as to the reason for the cannibalization and whether or not the cannibalized item will be retained for future use. Cannibalization or modification requirements do not apply to the removal and replacement of system components for operational purposes. The use of automated data processing for maintenance by redundancy (backup) or cannibalization for a parts source of supply shall not be made until Federal requirements are determined in accordance with NPG 4300.x, NASA Property Disposal Manual.

2.2.8.3. An approved NASA Form 1617 will be submitted to the NEMS Equipment Manager for appropriate adjustment of the equipment control record by the SEMO. Any residual unused materials will be turned in for reutilization or disposal. When cannibalized equipment is removed from the NEMS data base, the adjustments will be submitted to the Center financial management organization.

2.2.8.4. In those cases where an item, which has been modified, will continue to function and only the value has changed (i.e., the item has been modified), the new value for the item also will be reported to the SEMO for appropriate adjustment of the equipment control record on NASA Form 1617. Modifications to equipment require an adjustment to the equipment records when the modification cost exceeds \$1,000. The SEMO will ensure notification to the Financial Management Office of the cost change. Modification costs that do not exceed \$1,000 will be recorded by finance as current year costs.

2.2.8.5. Normally, equipment available from other NASA Centers, contractors, or other Government agencies will not be acquired solely for cannibalization. Exceptions to this rule will require directorate or higher level approval. This approval document will be maintained by the NEMS Equipment Manager in the equipment entry reference number microfilm or microfiche source document file for the item(s) acquired.

2.2.9. Retention of Inactive Equipment. The nature of NASA operations occasionally makes it desirable to retain equipment, not in current use, for a specified time for other potential needs prior to further disposition. Equipment may be retained in an inactive status by the Center for one of the following specific purposes and under the conditions indicated:

2.2.9.1. Firm Future Requirement. A firm future requirement may be considered a specific purpose for equipment retention, provided that the equipment has been identified for use on a project, program, or other work activity, the planning of which has been approved by the Center director. All equipment held for firm requirements will be recertified annually by the director of the storing organization.

2.2.9.2. National Asset. Equipment may only be classified as a national asset and retained by the Center in an inactive status if it meets all of the following criteria:

- a. Special purpose in nature.
- b. Costly in its design and development.
- c. One of a kind or nationally scarce.
- d. Potential for reuse warrants retention, even though a firm future requirement does not exist.

2.2.9.3. Standby. Retention of equipment designated by the Center Director for emergency standby purposes may be justified. Standby equipment will be reviewed annually by the director of the storing organization for continued retention.

2.2.10. Reporting and Control of Inactive Equipment Retained by NASA Centers

2.2.10.1. The equipment held in an inactive status will be reported to the Center Supply and Equipment Management Officer for further processing in accordance with existing storage guidelines:

- a. The turn-in document will be annotated to reflect the purpose for retention and the length of time the equipment is to be held.
 - b. The equipment transaction documentation will reflect pertinent data relating to the inactive designation of the equipment, including the results of cyclic review and re-certification prescribed by paragraph 2.2.9.2(d).
 - c. All inactive equipment subject to reutilization screening will be classified as status code B (See appendix F).
 - d. Equipment that is not readily movable or is specifically located for emergency purposes should be held in place and tagged to indicate its inactive status.
 - e. For continued retention of inactive equipment, an annual written recertification will be provided by the Division Director or designee of the storing organization.
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CHAPTER 3: Equipment Administrative Procedures

3.1 Equipment Control

3.1.1. Purpose

This chapter is intended primarily for equipment management personnel. It applies to Center-held equipment and sets forth the administrative requirements for establishing and maintaining equipment identification and equipment, accountability; reporting, and acting on lost, damaged, or destroyed equipment; equipment loan procedures; and employee removal and offsite use of equipment.

3.1.2. Guidance Information (Reserved)

3.1.3. Controlled Equipment Classification and Control

3.1.3.1 Pursuant to the policy set forth in NPD 4200.1, Equipment Management, each NASA Center will establish and maintain local procedures, meeting NEMS requirements for the administrative control of equipment. The procedures will apply to all equipment classifications. Such equipment will be referred to generically as controlled equipment.

3.1.3.2 All capital equipment, except those items that have been specifically authorized to be decontrolled by the SEMO, will be recorded and controlled under the procedures prescribed in this section. Capital equipment includes equipment with an acquisition cost of \$5,000 or more, equipment with an estimated useful life of 2 years or more, and equipment that will not be consumed in an experiment.

3.1.3.3. All other equipment items with an acquisition cost of \$1,000 to \$4,999 (noncapital) and items identified and designated as sensitive items with an acquisition cost of \$100 or more, except those items which have been specifically authorized to be decontrolled by the SEMO, will be recorded and controlled under the procedures prescribed in this section. Selected standard equipment type for control as sensitive items are listed in appendix C.

3.1.3.4. The Equipment Type Accounts set forth in appendix B are consistent with the Financial Management General Account Structure and will be used for classification of controlled equipment and for reconciliation with and reporting of capitalized equipment to finance.

3.1.3.5. Control will be established upon receipt and acceptance by marking the equipment with an equipment control number and entering the required data into the NEMS database, which contains subsidiary records to the NASA general ledger accounts.

3.1.3.6. Also, each system, subsystem, or part of a subsystem that meets the criteria for control and is supplied as a unit of controlled equipment on an acquisition document, will be assigned an equipment control number if --

- a. Component equipment items of the system or subsystem are interchangeable (component equipment items may be transferred as is for use in a dissimilar system),
- b. Spare component equipment items are held for replacement of like component equipment items, except when they are identified as Line Replaceable Units in an inventory management system,
- c. When they are stocked in a supply management repair program that controls repairable equipment items by issue location.

3.1.3.7. Systems not identified to the component equipment item level on acquisition documents will be tagged at the component equipment item level, as appropriate, with the aid of technical personnel.

3.1.4. Noncontrolled Equipment

3.1.4.1. Noncontrolled equipment includes items with an acquisition cost of less than \$1,000 and that are not classified sensitive. Noncontrolled equipment will be managed under procedures developed and prescribed by the holding Center. All such equipment will be processed with appropriate documentation after receipt.

3.1.4.2. Each item of noncontrolled equipment will be affixed with a "Property of U.S. Government" decal, NASA Form 1517 or 1517a, except when not physically or technologically feasible. Smaller versions may be obtained locally for use on small items of non controlled equipment. The use of the NASA Form 1517 on noncontrolled office furniture is optional.

3.1.5. Experimental and Fabricated Equipment

3.1.5.1. Center equipment that is designed or fabricated and meets the criteria for controlled equipment will be controlled under procedures. Equipment integrated with test articles being experimented on and subject to frequent configuration change will not be accounted for as controlled equipment. If subsequent to experimental use an item's configuration and use becomes stable and otherwise meets the criteria for controlled equipment, equipment control will be established and the item will be added to NEMS.

3.1.5.2. Sources and locations of experimental and fabricated equipment require monitoring to ensure that appropriate equipment control actions are accomplished when such equipment meets the criteria for control.

3.1.6. Equipment Located at NASA Centers Other Than the Funding Center

3.1.6.1. Equipment accountability for items geographically separated from the funding or acquiring Center will be vested in the Center or location having possession of the equipment. Exceptions to this ownership rule are short-term loans or removals for 1 year with renewable option of equipment or tests, inspections, and other uses which will be controlled by loan documentation. Accountability for equipment furnished to contractors under another Center or other Government contract is retained by the contractors under the terms and conditions of their contracts whether or not the equipment is used at a NASA facility.

3.1.6.2. Equipment designated for return to the funding Center will not be disposed of without prior approval by the SEMO of the furnishing Center.

3.1.7. Equipment Directly Delivered to Nonfunding Centers

3.1.7.1. When a Center is responsible for the procurement of an equipment item including its payment process, that Center is held accountable for the equipment purchased until equipment accountability is transferred to and accepted by the Center that received the shipment. To ensure that equipment accountability is properly transferred and administered in situations in which equipment is directly delivered to a Center other than the funding Center, the procedures prescribed in this chapter must be utilized.

3.1.7.2. Funding and receiving Center SEMO's, and the funding Center financial management officer, responsibilities are the following: the receiving Center SEMO will ensure contact with the funding Center NEMS Equipment Manager to report receipt and acceptance of the equipment and the ECN(s) assigned. A copy of the Receiving and Inspection documentation is sent to the funding Center financial management officer for information only, and the funding Center SEMO, adds the equipment item(s) to the NEMS data base when the transfer transaction has been processed. If the funding Center processes the transfer transaction immediately, the NEMS central data base Transfer Suspense File will display processing of the transfer transaction. The receiving Center will use Transaction 04 (Receipt by Transaction from NASA Center) to enter the record into NEMS, using the Receipt and Inspection form, and contract or purchase order as the authorizing source documents. The receiving Center returns appropriate documentation to the funding Center SEMO to acknowledge receipt and acceptance of the equipment, with a copy to the receiving and funding Center financial management officer.

3.1.7.3. The receiving Center will report (to the funding Center) that equipment has been received, accepted, and tagged. The NEMS Equipment Manager will immediately process a NEMS Transaction 01 (Receipt by Purchase - NASA Funded), using the contract or purchase order as the authorizing source document. Receiving documentation provided by the receiving center will be forwarded to the Financial Management Office for costing and disbursement. NEMS Transaction 65 (Transfer to Another NASA Center) will be processed in NEMS, using the shipping document as the authorizing source document.

3.1.8. Equipment Found on Station

3.1.8.1. Immediate action will be taken to establish equipment accountability and control of all items found that meet the control criteria but that are not controlled in the Center's equipment records.

3.1.8.2. The Center SEMO is responsible for ensuring that a documented investigation is conducted for each found onstation case to determine the circumstance which allowed the equipment to be on the Center without equipment management control. NASA Form 1618, Found on Station Equipment Investigation, will be used to document the circumstances and investigations (instructions are contained on the reverse side of the form).

3.1.8.3. Upon conclusion of the investigation, the SEMO will analyze all findings and facts developed and forward a report to upper management, if necessary, recommending corrective actions necessary to prevent similar occurrences.

3.1.9. Furniture and Furnishings. Office furniture and furnishings under \$5,000 are non-controlled items; however, group records may be established and maintained by location, property management area, or Center.

3.1.10. Vendor Owned Equipment Onsite. When a vendor installs or uses vendor-owned equipment at a NASA Center, for any reason, and retains title, such equipment must be clearly identified as being the property of that vendor.

3.1.11. Employee Owned Equipment Onsite. Centers which allow employee-owned equipment onsite must ensure that such equipment is clearly identified as being the personal equipment of the employee.

3.1.12. Equipment Owned or Leased by Contractors or Furnished to Contractor Under Other Government Contract. Pursuant to NASA FAR Supplement 18-52.245-77, contractors must secure written consent from their cognizant contracting officers, prior to their use at a NASA facility of equipment owned or leased by the contractors or of other equipment for which the contractors are accountable under any other Government contracts.

3.2 Controlled-Equipment Accountability

3.2.1. Purpose. This part sets forth requirements for establishing and maintaining effective controlled-equipment accountability that provides a continuous audit trail of an item from receipt until transfer of accountability or disposal.

3.2.2. Guidance Information (Reserved)

3.2.3. Equipment Control Number. Each item of controlled equipment will be physically identified with a singular equipment control number. This number will be affixed by means of a bar-coded tag or a smaller bar-coded tag for small components and firmly affixed in a conspicuous place, preferably on the front of the item. The number may be etched or painted on items not conducive to the application of tags.

3.2.4. Equipment Control-Number Register. An equipment control number register will be established and maintained at each Center. The register will be used to control the distribution of the equipment control-number tags. The register will include the following data: equipment control number, signature of person(s) accepting blocks of tags prior to assignment, and date assigned or tagged.

3.2.5. Tagging of Equipment. Each item of controlled equipment will be affixed with an equipment control number tag upon receipt, inspection, and acceptance at the Center.

3.2.6. NEMS Equipment Record. A record for each item of controlled equipment will be established in NEMS upon initial Agency receipt, by initiating an add transaction and selecting the appropriate Acquisition Transaction Number. The equipment record will include, as a minimum, mandatory data fields.

3.2.7. Transaction Audit Trail. Any addition, deletion, change, and adjustment to the NEMS records of controlled equipment generates an Entry Reference Number, which provides for an audit trail. The Entry Reference Number is also used to locate the transaction source document that has been processed.

3.2.8. Data and Statistical Records. Data and statistical records must be available through NEMS for reporting purposes. NEMS includes ad hoc query capability to extract various equipment management data. However, capital, noncapital nonsensitive controlled, and noncapital sensitive items, with their total dollar values, must be reported to the Lead Logistics Management Team, NASA Headquarters, semiannually (as of March 31 and September 30), or on request, by specific data sorts. NEMS Report 410 provides the data required for the semiannual report.

3.2.9. Reconciliation, Adjustment, and Reporting of Property Records and Financial Accounts Balances

3.2.9.1. As required, a semiannual reconciliation and adjustment of property records and financial accounts will be conducted. Each Center Financial Management Officer and SEMO will establish a monthly transaction cutoff date to facilitate reconciliation. The annual NASA Form 1490 Analyses of Fixed Assets Report will be jointly signed by the Center Financial Management Officer and the SEMO to reflect the agreed-upon ending balances that will be utilized for financial reporting purposes.

3.2.9.2. The Analyses of Fixed Assets Report, NASA Form 1490, the account balances submitted via the General Ledger Accounts System, and the yearend fiscal Supplemental Analyses Schedule required by Financial Management Manual 9391-9a must be in agreement.

3.2.10. Control of Documents. Detailed Center procedures will be developed to ensure that all documentation and

transactions affecting the accountable records, such as additions, deletions, and cost adjustments, are serially controlled and processed promptly. Copies of this documentation will be maintained by the NEMS Equipment Manager, using microfiche or microfilm, electronic storage, or other methods deemed to be economical and responsive to this paragraph.

3.2.11. Property Custodian Records. NEMS Control will provide property custodians with a NASA Form 1602, NEMS Transaction Document, or a suitable electronic format for each item of equipment assigned to their account. Property custodians will maintain or have access to files of documents affecting receipt, movement, and disposition of controlled equipment in their property management areas.

3.2.12. Receiving and Inspection of Equipment. Upon receipt of purchased equipment, inspection against the requirements of the acquisition document will be performed prior to acceptance by the Government; this inspection can be performed by the employee if the items purchased are associated with a desktop delivery process. A check will be made for damage and defects, and equipment accountability will be established for controlled equipment by preparing the documentation necessary for entering the equipment data into the NEMS data base. Equipment delivered on a DD Form 250, Material Inspection and Receiving Report, or equivalent acceptance document or method, will be fully priced per line item. An incomplete DD Form 250 will be referred to the appropriate contracting officer for correction. The assigned equipment control numbers are to be annotated on the receipt and inspection report along with any serial number, model numbers, or other appropriate identifying markings.

3.2.12.1. Other receipts of equipment will be received and reviewed against the accompanying shipping documentation and, if accountable to the Center as controlled equipment, assigned an equipment control number the same as purchased equipment. Controlled equipment transferred in from another NASA Center retains the equipment control number assigned by the initial acquiring Center.

3.2.12.2. Equipment entering the Center on loan or lease will be handled and identified as required.

3.2.12.3. Equipment purchased via the credit card will follow all procedures stated in 3.2.12, and it will be the user's responsibility to notify the SEMO. Each Center must have unique processes and procedures to ensure that items meeting the criteria are properly controlled and tagged.

3.2.13. Shipment of Equipment. Equipment to be hand carried or shipped from the Center will be documented and coordinated with the SEMO prior to the physical movement of the equipment in order to ensure that the proper actions and any adjustments are made to the NEMS equipment control records.

3.2.14. Removal of Tags and Other NASA Identification.

3.2.14.1. When NASA control of equipment is discontinued for any reason except for equipment shipped to a contractor as Government-Furnished Equipment, the control number tag or other NASA identification will be removed or obliterated. The number will be canceled by the current accountable Center but annotated on the reference document used to support the removal of the item from the NEMS control records.

3.2.14.2. Equipment shipped to contractors as Government-Furnished Equipment under their contracts will retain the NEMS control tags or other NASA identification.

3.2.15. Removal of Equipment from the Center for Repair, Calibration, and Under the Terms of a Warranty. The Center will maintain equipment control over equipment that is removed from the Center for repair, calibration, or under the terms of a purchase warranty.

3.3 Survey of Lost, Damaged, or Destroyed Equipment

3.3.1. Purpose. This part prescribes the administrative and procedural requirements for the survey of lost, damaged, or destroyed equipment and any other personal property for which survey action is directed. This part is applicable to all Government-owned equipment onsite at NASA Headquarters and Centers for which equipment accountability is the responsibility of the Government and the official records are the Centers' equipment control system.

3.3.2. Equipment held by contractors or grantees is governed by the provisions of the Federal Acquisition Regulations, the NASA FAR Supplement, or the NASA Grants Guidance. This part does not apply to onsite contractors under the Installation-Accountable Government Property (IAGP) clause, NASA FAR 1852.245-71. They are required by the IAGP clause to establish and adhere to a system of written procedures for compliance with user responsibilities. And, such procedures must include holding employees liable, when appropriate, for loss, damage, or destruction of Government property. This part does not apply to Government equipment held by a contractor or grantee, whose records are the official property records, and the equipment is accountable under a NASA contract or grant.

3.3.3. Guidance Information (Reserved)

3.3.4. General Policy. A survey will be made immediately when Government property is lost, damaged, or destroyed. At the discretion of the Center SEMO or other responsible official, a survey may be made to cover loss, damage, or destruction for which property accountability is not maintained. A survey is an administrative action whereby the loss, damage, or destruction of Government property is documented, investigated, and reviewed to determine pertinent facts, adjust the records, and determine the extent or absence of personal responsibility for loss, damage, or destruction. When theft is suspected, and property cannot be located, the Center Security Officer will be notified immediately. A copy of any investigative report and finding will become part of the Survey Report when issued.

3.3.5. Procedures for Submitting a Survey Report

3.3.5.1. When Government property for which equipment accountability is maintained is lost, damaged, or destroyed, the user or individual who last had possession of the property at the time will immediately notify their property custodian and, if theft is suspected, notify the Center Security Office immediately. The individual will then prepare Part I of a Survey Report, NASA Form 598, unless the affected items were maintained by more than one property custodian. In that case, separate Survey Reports by each custodian are allowed, but only one Survey Report for each custodian for items in their account that are affected by the single event. Otherwise, preparation of separate Survey Reports for each item will be considered circumvention of the requirements of this guidance. After completion of Part I of the Survey Report, the user or individual will submit the document to the SEMO via the accountable property custodian. If the person who last had possession of the equipment is unknown or no longer a NASA employee, it is the responsibility of the property custodian to complete Part I of the survey report.

3.3.5.2. The Division Director (or the next highest level of management if the Government employee is the Division Director) will review the survey report(s) submitted by the user and specify in Part II the corrective action that is proposed or has been taken to prevent recurrence, sign Part II of the Survey Report, and forward it to the Supply and Equipment Management Officer.

3.3.5.3. The Center Supply and Equipment Management Officer or designee will--

- a. Verify or ascertain the value of the lost, damaged, or destroyed property and authorize the processing of the NEMS delete transaction.
- b. Ensure maintenance of a Survey Report Register. Each report will be assigned a number and entered in the Register upon initial receipt. All documents pertaining to a Survey Report will be identified with the report number.
- c. Refer Survey Reports to either the Property Survey Board or the Property Survey Officer as appropriate.
- d. Ensure followup on the implementation of all recommendations arising from the survey process for adequate internal control.

3.3.5.4. In cases of damage, appropriate technical personnel of the Center will be requested, when necessary, to assist in developing repair costs which will be included as part of the report.

3.3.5.5. Lost, damaged, or destroyed property with a total acquisition cost, less reasonable depreciation equal to or under \$1,000 can be dispositioned by the Property Survey Officer without action from the Property Survey Board, or, at the discretion of the Property Survey Officer, can be referred to the Property Survey Board or equivalent forum for special investigation and disposition.

3.3.5.6. All lost, damaged, or destroyed property with a total acquisition cost, less reasonable depreciation greater than \$1,000 will be referred by the Property Survey Officer to the Property Survey Board for investigation and disposition. Investigations should be reasonably thorough but consistent with the magnitude of the type of item and its value and the probability of individual neglect or misconduct.

3.3.5.7. Property surveyed as lost but found later will be reinstated in NEMS.

3.3.6. Time Limit on Submitting Survey Reports and Completing Action.

3.3.6.1. Survey Reports must be submitted by the Division Director (or the next highest level of management if the Government employee is the Division Director) to the Center SEMO within 30 working days of the discovery of loss, damage, or destruction of property.

3.3.6.2. Recommended action(s) by the Survey Board should be completed within 90 working days of the Division Director submittal. The 90-working-days time limit is at the discretion of the Center SEMO and may be extended or reduced when necessary. As stated above, the SEMO must ensure followup on the implementation of all

recommendations arising from the survey process.

3.3.6.3. Supporting documentation for Survey Report actions must be retained by the Center SEMO. Therefore, all supporting documentation must be forwarded to the SEMO by the Property Survey Officer or the Property Survey Board or equivalent forum for inclusion in the official survey files.

3.3.7. Investigation and Findings by Property Survey Officer or Property Survey Board.

3.3.7.1. Each Survey Report will be fully investigated and written findings made by the Property Survey Officer or Property Survey Board as to the facts concerning the loss, damage, or destruction of the Government property. Such findings shall include the extent or absence of personal responsibility, including findings as to whether the loss, damage, or destruction resulted from negligence, misuse, dishonesty, or misconduct on the part of the Government employee. All evidence, testimony, or other information considered during the investigation must be clearly documented.

3.3.7.2. If the loss, damage, or destruction of Government property is found to have resulted from negligence, misuse, dishonesty, or misconduct on the part of the Government employee, the Property Survey Officer or Property Survey Board will send written notification to the Government employee in question and afford such individual the opportunity to present a written statement of facts concerning the loss, damage, or destruction of the Government property. A copy should also be forwarded to the Division Director concerned. The statement will become a part of the Survey Report and will be considered in the findings and recommendations of the Property Survey Officer or the Property Survey Board.

3.3.7.3. The Property Survey Board will hold meetings as required, and all actions will be documented in written minutes. In order to meet the requirements of paragraphs 3.3.7.1. and 3.3.7.2. above, these minutes will be in addition to the statements included in the Survey Reports and will constitute part of investigation record.

3.3.8. Recommendations by the Property Survey Officer or the Property Survey Board.

3.3.8.1. On the basis of the investigation and findings, the Property Survey Officer or Board may recommend to the Division Director (or the next highest level of management if the Government employee is the Division Director) that the Government employee involved--

- a. Be held financially accountable and responsible for the loss, damage, or destruction of the Government property;
- b. Be disciplined pursuant to NPR 3752.x, Disciplinary and Adverse Actions;
- c. Be relieved from accountability and responsibility for the loss, damage, or destruction of the Government property.

3.3.8.2. The Property Survey Officer or Property Survey Board shall apply the following standards in making its findings and recommendations. A Government employee should be relieved from accountability and responsibility, whether financial or otherwise, for any loss, damage, or destruction of Government property which is attributable to inadequate instruction or inherent defects in the property. In addition, the Government employee should be relieved from such accountability and responsibility if--

- a. He or she satisfactorily explains the circumstances surrounding the loss, damage, or destruction;
- b. The evidence is consistent with such explanation;
- c. Under the circumstances, the loss occurred despite reasonable care and precautions.

3.3.8.3. On the basis of the investigation and findings, the Property Survey Officer or Property Survey Board may also recommend specific corrective or preventive action to reduce the probability of recurrence.

3.3.9. Approvals by Property Survey Officer

3.3.9.1. The Property Survey Officer will review all Survey Reports and related evidence and may return a Survey Report to the Property Survey Board for further information or analysis. The Property Survey Officer will have final approval authority for all Survey Reports.

3.3.9.2. Once a Survey Report is approved by the Property Survey Officer, the Property Survey Officer or Property Survey Board will assure that the following actions are accomplished:

- a. The specific corrective or preventive action set forth in the Survey Report is taken by the appropriate offices;
- b. The Center management is fully informed on the implementation of all recommendations concerning specific

corrective or preventive action arising from the survey process;

c. Indications of illegal or unethical conduct are referred to the Inspector General in accordance with NPD 9800.1, NASA Office of Inspector General Programs;

d. Complete documentation on the loss, damage, or destruction is forwarded to the SEMO for retention and distribution, as defined in this section.

3.3.10. Disposition of Survey Reports

3.3.10.1. The submittal and distribution of approved Survey Reports will be conducted pursuant to subsection 3.3.5 above. The SEMO will assure disposition as shown in Part VI of the Survey Report.

3.3.10.2. If the Survey Report recommends that the Government employee should be held accountable and responsible for the loss, damage, or destruction, the Division Director (or the next highest level of management if the Government employee is the Division Director), in consultation with the appropriate Personnel Office, Financial Office, and the Center Chief Counsel (or General Counsel's Office for Headquarters) shall decide whether to adopt the recommendations of the Property Survey Officer or Property Survey Board with regard to the financial liability of the Government employee.

3.3.10.3. If these recommendations are adopted, the Center Financial Office shall apply the following standards in determining the amount of liability:

a. For lost or destroyed property, the amount of liability shall be the acquisition cost of the property, less reasonable depreciation.

b. For damaged property, the amount shall be the lesser of the following: the actual cost to the Government to restore the property to the same condition it was in immediately preceding the damage, or the acquisition cost value of the property, less reasonable depreciation.

3.3.10.4. The amounts found owing to the Government as a result of the loss, damage, or destruction may be voluntarily remitted by the Government employee upon the request of the Financial Office or may be collected by administrative offset, pursuant to applicable regulations implementing 5 U.S.C. 5514, as amended.

3.3.10.5. If the findings and recommendations of the Survey Report indicate that the loss, damage, or destruction of the Government property resulted from negligence, misuse, dishonesty, or misconduct on the part of the Government employee, disciplinary action may be taken in accordance with NPR 3752.x, Disciplinary and Adverse Actions.

3.3.11. Reporting

3.3.11.1. The Center Property Survey Officer, in conjunction with the Chairperson, Property Survey Board or designee, will ensure that feedback is provided to the Center Director via a written report at least annually through official channels.

3.3.11.2. This report, at a minimum, should include the total number of Survey Reports processed at the Center during the reporting period, the total number of Survey Reports submitted by each directorate or equivalent organization, the acquisition cost, less reasonable depreciation of the lost, damaged, or destroyed property for each directorate or equivalent organization, and general information regarding significant actions, problems, or other matters of substance related to Survey Reports, including trends by organization, location, or equipment type.

3.3.12. Optional Use of Investigation Report of Motor Vehicle Accident (Standard Form 91A)

3.3.12.1. To avoid duplication of investigation and reporting, NASA Headquarters and NASA Centers, including Component Facilities, are authorized to use the Investigation Report of Motor Vehicle Accident, Standard Form 91A, in lieu of the Property Survey Report, NASA Form 598, when a motor vehicle is damaged or destroyed in an accident.

3.3.12.2. Completed copies of Standard Form 91A received by the Supply and Equipment Management Officer will be processed in the same manner as NASA Form 598.

3.3.12.3. Complete survey procedures need not be followed when a motor vehicle is damaged and the cost of replacement or repair does not exceed \$250; there is no bodily injury; and the Transportation Motor Vehicle Operations Officer, with approval of the Center's Chief Counsel Office, determines there is no negligence. However, a Standard Form 91A must be submitted to the Center Transportation Motor Vehicle Operations Officer.

3.3.12.4. Accidents involving a NASA employee operating a General Services Administration motor pool vehicle will be investigated and reported as prescribed in Federal Property Management Regulations Subpart 101-39.

3.3.13. Other Property Damage Reporting and Investigation Requirements. In addition to Survey Report processing, NPD 8621.1G, NASA Mishap Reporting and Investigating Policy, and NPR 8715.x, Guidelines for Mishap Reporting, Investigating, and Record-keeping, establish investigation and reporting policy and procedures to determine mishap causes and prevent their recurrence. The spectrum of mishaps includes accidents and incidents involving damage to property occurring in any NASA or NASA-related activity. Mishaps involving damage or destruction to aircraft will be reported by the Aviation Safety Officer, using forms and procedures established in accordance with the above-referenced requirements, NPR 7900.x, Center Flight Operations Procedures, and FPMR 101-37.1105, as appropriate. The Supply and Equipment Management Officer must obtain approved copies of the appropriate mishap reports in order to delete the aircraft from the property records (in the cases of loss or destruction) and notify the Center financial management organization of the adjustment to the records. In the case of damage, aircraft will not be deleted from the property records, and the cost will not be adjusted if fully repaired; however, the Supply and Equipment Management Officer will keep copies of the approved mishap reports on file.

3.4 Equipment Loans

3.4.1. Purpose. This part sets forth the authority, requirements, responsibilities, and procedures for authorizing and accomplishing the loan of NASA equipment.

This part does not apply to the equipment loan policy for NASA employees or Center support contractor(s).

3.4.2. Guidance Information (Reserved)

3.4.3. Policy. Loans made external to NASA must be made by an appropriate instrument. These loan agreements must be reviewed by the Office of Chief Counsel or other appropriate official and approved by the Center SEMO in accordance with the provisions or procedures of NPD 4200.1.

3.4.4. Procedures

3.4.4.1. Any NASA employee receiving a request for the external loan of NASA equipment will refer the request to the Center SEMO. Contacts regarding proposed loans should be made far enough in advance to permit orderly review and approval of the request and timely preparation of the necessary documentation.

3.4.4.2. The SEMO will coordinate loan requests with the user organizations. The Division Director or designee will certify that the equipment to be loaned may be released without adversely affecting Center requirements.

3.4.4.3. When the concurrence of the authorizing official has been obtained and the loan is to be made external to NASA, the SEMO will determine the appropriate method for accomplishing the loan.

3.4.4.4. If the loan is to be made to another NASA Center, it is not considered external but referred to as a "borrow" in NEMS.

3.4.4.5. If the loan is effected pursuant to the terms of any other type of agreement, the loan documents, correspondence, subordinate loan agreements, and shipping documents, will be approved by the Center SEMO.

3.4.4.6. If the loan is to be effected with any foreign government or organization, it will be approved by the Office of External Relations, NASA Headquarters.

3.4.4.7. The actual physical movement of the equipment will be coordinated with, or arranged by, the Center SEMO.

3.4.4.8. For each loan, the SEMO will ensure that a case file is established containing appropriate copies of authorizing agreements and all other pertinent supporting documentation.

3.4.5. Policy and Procedures for the Loan of NASA Equipment to Profit Making Organizations for Purposes not Covered in a Procurement Contract or Other Agreement.

3.4.5.1. NASA equipment may be made available to profitmaking organizations only for purposes authorized by the Space Act and specified in the loan agreement. Loans of equipment under this paragraph must be authorized and approved by the Center Director or designee.

3.4.5.2. Before an equipment loan is accomplished, the following will be included in the supporting loan file:

- a. A statement from the user organization that release of equipment will not adversely impact the organization operation;
- b. Coordination with the Center procurement officer to ensure that the user will not receive an unfair competitive

advantage for a Government contract;

c. A determination of whether monetary consideration will be required for use of the property.

3.4.5.3. Each loan and its supporting file will be concurred in and approved by the Office of the Chief Counsel before execution by the Center SEMO or designee.

3.4.5.4. NASA Headquarters, Lead Logistics Management Team, will be provided executed copies of all loan agreements involving equipment costing \$100,000 or more.

3.4.6. Inventory Control of Loans (Other Than Employee Loans) and Leases

3.4.6.1. Each loan agreement will be initially approved for a minimum of 1 year and contain a provision requiring the borrower to report and certify annually to the lending Center SEMO, on the anniversary date of the loan, a recertification statement which contains the identification number assigned to the equipment, its name, its current location and date physically sighted, its current use, and validation of the requirement for continuation of the loan.

3.4.6.2. The SEMO will develop and maintain a suspense system for loans and leased equipment in order to ensure that equipment is returned or leases are extended. A Loaned Equipment Expiration Report and a NEMS Report 133, Leased Out Equipment Return Candidate List, can be generated to review the status and expiration of loans or leased equipment. If loan extensions are determined necessary, the loaning officials will submit a recertification statement. Authorizing officials must review and certify extension of expired leases prior to renewal in order to ensure outgoing leases do not exceed temporary use policy.

3.4.7. Control of Incoming Loans and Leases

3.4.7.1. All incoming loans and leases of equipment that meet the criteria for control, regardless of source, will be processed at the time of receipt by the SEMO. Leased equipment under NASA-wide contracts, such as cost-per-copy-service contracts, are exempt.

3.4.7.2. Any organization loaning or leasing equipment to NASA must have a written agreement with NASA stating loan purpose and period.

3.4.7.3. All loaned or leased equipment meeting the criteria for control will be entered in NEMS under the following guidelines:

a. Equipment identified in writing for lease or loan for 60 calendar days or less need not be accountable in NEMS if appropriate documentation is on file in the equipment organization and equipment is physically identified as belonging to the borrower. The borrower is responsible for returning the equipment, through the equipment organization, within 60 calendar days.

b. For all other equipment meeting control criteria, adequate controls will be established by processing NEMS Transaction 8 (Receipt from Lease In) or Transaction 9 (Receipt from Loan In), as appropriate.

c. The cost for incoming loaned and leased items will be the estimated original acquisition cost. The capital sensitive code is "X."

d. The NEMS Equipment Manager will request a NEMS Report 130, Loaned In Equipment Expiration Report, monthly. This report generates all incoming loans due to expire within 30 days of the date of the report. The using official must review the loan requirement and arrange for return of the loaned equipment or request extension from the authorizing official of the loaning organization.

e. Also, the NEMS Equipment Manager will request, as required, NEMS Report 132, Leased In Equipment Return Candidate List. This report generates all incoming leases due to expire within a selected date range. The using official must review the lease requirement and arrange for return of the leased equipment or request extension from the authorizing official of the leasing organization.

3.4.7.4. As required by Financial Management Manual 9259-3, leased equipment is also subject to capitalization if the original acquisition cost is \$5,000 or more, the useful life is 2 years or more, and the terms of the agreement are equivalent to an installment purchase. Installment purchase means one of the following:

a. The lease can be converted to ownership at end of lease;

b. The lease contains option to purchase at a bargain price;

c. The noncancelable length of lease is equal to or greater than 75 percent of the estimated economic life.

d. The present value of rental or other minimum lease payments equals or exceeds 90 percent of the fair market value.

Criteria (c) and (d) do not apply if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property.

3.4.7.5. All incoming leased equipment will be reviewed by the financial management organization to determine when capitalization requirements apply. When financial management determines that a leased item will be subject to capitalization, the NEMS Equipment Manager will do the following:

- a. Ensure that the Loan or Lease Document Number field begins with a "C."
- b. Request NEMS Report 136, Leased Equipment Subject to Capitalization, as of September 30 each year.
- c. Forward Report 136 to the financial management organization by October 10 for preparation of the Analysis of Leases Report, according to Financial Management Manual 9259-5.

3.4.8. Identification of Equipment on Loan or Lease to the Center. Each Center will affix a NEMS bar-coded loan or lease tag to incoming loaned or leased equipment at the time of receipt in order to clearly show that such equipment is not owned by the Center.

3.4.9. Leased Equipment Converted to Purchase. When NASA takes title to a leased item, the bar-coded paper lease tag should be replaced with a bar-coded permanent tag and the item reentered in NEMS with Transaction 21 (Lease to Purchase). The add transaction should record the original lease tag number in the Previous Equipment Control Number field and record the estimated fair market value in the Cost field. The leased record is then deleted in NEMS with Transaction 87 (Conversion of Lease to Purchase).

3.4.10. Control of Borrows between Custodians or between NASA Centers. In order to differentiate internal loans from external loans within NEMS, the term "borrow" is used for items moving within NASA for temporary use. Borrows are initiated by one custodian at the request of another custodian at the same Center or by one NASA Center at the request of another NASA Center. NEMS Transaction 38 generates monthly suspense reports. Return of a borrowed item to an accountable custodian is accomplished with Transaction 39, Borrowed Out or Returned. The SEMO or NEMS Equipment Management Officer or designee will initiate another NASA Center's equipment borrow request through locally established documentation. Upon request, NEMS Report 134 (Borrowed Equipment Return Candidate List) and NEMS Report 350 (Borrow Out Greater Than One Year) may be generated in order to ensure equipment return or transfer.

3.5 Removal and Use of Equipment by Employees

3.5.1. Purpose. This part sets forth procedures and responsibilities for the removal and use offsite of Center-provided equipment by NASA civil service employees or onsite NASA contractor employees.

3.5.2. Guidance Information (Reserved)

3.5.3. General Policy

3.5.3.1. Center equipment may be temporarily loaned to employees for use at home or elsewhere other than at the Center when it is determined to be necessary or beneficial to the conduct of NASA's missions or other official Government purposes.

3.5.3.2. Determinations will be made in writing and will specify the purpose and loan period. Loan extensions will be requested prior to the expiration date of the loan. Equipment will be returned when the specified purpose for the loan is no longer valid or at the end of the approved loan period, whichever is earlier. Flexible workplace agreements may contain provisions for long-term equipment loans to individual employees. Equipment loaned in this manner need not be returned for inventory/inspection until the agreement is terminated.

3.5.3.3. Employee loans will be issued for an initial period of up to 6 months or upon completion of the project if shorter. Renewal beyond the initial 6-month period must be approved by the organizational Division Director and reviewed by the SEMO. Renewals beyond 12 months must ultimately be approved by the Center Director. This authority may be delegated to one immediately subordinate official.

3.5.4. Approval to Remove

3.5.4.1. Approval to remove equipment from the Center for offsite use by a NASA employee will be granted by the Division Director, and concurred by the SEMO, provided the request is in accordance with the policy of this part and

Center policy. The Division Director must also provide certification that removal of the property will not adversely affect the performance of official duties in the division by the requesting employee or any other division employee and that the equipment being removed is not excess equipment. For onsite contractors, the additional approval of the Contracting Officer Technical Representative and the Contracting Officer will be required prior to removal.

3.5.4.2. Failure to meet these policy requirements can lead to disciplinary action for the employee, especially if loss, damage, or destruction occurs during the removal period.

3.5.5. Procedures.

3.5.5.1. For the removal of any Government-owned equipment for official purposes for offsite use from the Center, the requester will perform the following:

a. For Short Term Loans (not to exceed 30 days): The loan will be documented using NASA Form 892 (Property Removal Permit) or equivalent. Loans exceeding 30 days (but less than 180 days) will be documented using a Center loan agreement between NASA and the borrowing employee. Loan documentation will indicate the requester's name and organization code, the purpose for use and removal of the equipment, with an explanation of why the official use cannot be accomplished onsite during normal business hours.

b. Submit loan agreement to the Division Director for approval and to the SEMO for concurrence.

c. The requester will submit the NASA Form 892 or loan agreement to the property custodian for signature. A copy of the NASA Form 892 or loan agreement will be retained by the applicable property custodian until return of the equipment has been verified.

d. The requester will return the equipment by the date shown on the NASA Form 892 or loan agreement, or request an extension beyond the original approved period. This extension request will be authorized in writing by the Division Director and submitted to the SEMO.

3.5.5.2. Loans of controlled equipment exceeding 30 days will be annotated using NEMS Transaction 40, Loan or Lease out. When the equipment is returned, NEMS Transaction 41, Loan or Lease Out-(returned), will be processed to update NEMS.

3.5.5.3. Center loan agreements will specifically detail the responsibilities of the employee with regard to the proper care and treatment of the equipment and will clearly state that the employee is subject to disciplinary action or pecuniary liability resulting from loss, theft, damage, destruction, negligence, misuse, dishonesty, or wanton and willful misconduct.

3.5.5.4. Employees will notify the responsible Property Custodian when the loaned equipment is returned. Appropriate notification must be provided to the SEMO.

3.5.5.5. For removal of Government-owned equipment from the Center in support of employee loans, the requester will follow the Center or Agency policy and report all loans to the SEMO.

3.5.6. Shipment by Center. The NASA Form 892 will not be used in lieu of a shipping document. In cases where shipment by the Center is required, a properly prepared shipping document will accompany the equipment. A shipping document must be prepared for items of equipment that are moved via 'handcarried.'

CHAPTER 4: NASA Equipment Management Systems (NEMS)

4.1 General Description of NEMS

4.1.1. Purpose. This chapter sets forth a general description of NEMS, authority, and requirements, NEMS operations, NEMS status codes for equipment availability, the use of NEMS for equipment availability searches and redistribution, contractor use of NEMS, and the operational requirements of NEMS.

4.1.1.2. The NASA Equipment Management Program requires utilization of NEMS by all NASA organizations and onsite accountable contractors. The system requires accurate and complete information.

4.1.2. Guidance Information (Reserved)

4.1.3. General System Description

4.1.3.1. The NEMS is a standard, Agencywide automated system designed to simplify, standardize, and reduce the cost of managing and controlling NASA's equipment. NEMS operates on Adaptable Database (ADABAS), a data-base management system, utilizing natural programming language.

4.1.3.2. NEMS provides all NASA organizations with the elements of information needed for an integrated system to identify, account for, and control NASA equipment. Responsibilities and procedures required of property custodians may be found in NPG 4200.2B, Equipment Management User Guide for Property Custodians.

4.1.4. How NEMS Operates

4.1.4.1. NEMS is an online, interactive system designed to process add, change, and delete transactions for controlled equipment maintained in the data base.

4.1.4.2. Each NEMS transaction requires a source document that authorizes the transaction. NEMS generates an Entry Reference Number for each transaction processed, and the source documents are filed by Entry Reference Number to establish a complete audit trail for each equipment item from its initial receipt, for interim changes, until deleted from the Agency's records.

4.1.4.3. When an equipment record has been deleted from NEMS, the complete record is stored in a history file. The history file remains accessible, by ad hoc inquiry, for at least 3 years.

4.1.4.4. A NEMS central data base concatenates all NASA Center NEMS data bases, processes changes submitted from those data bases overnight, and provides next day, on line access to the NEMS central data base.

4.1.4.5. The central data base also offers four methods for selecting some specific types of equipment data from the central data base. The ad hoc inquiries are by (1) manufacturer and model number; (2) item name (allowing three name combinations); (3) tag number (including Equipment Control Number, old tag number, previous ECN, contractor tag number); and (4) field search, by certain data elements only.

4.1.5. NEMS Roles and Relationships

4.1.5.1. The NASA Centers will collect necessary data to develop and maintain NEMS. Each Center must select and provide the inputs which enable NEMS to be a working accounting interface and control system. The effectiveness, accuracy, quality, and visibility of the system depend on the quality of each Center's effort. Additional online update capabilities that may be locally developed must be engineered to interface with the Center's NEMS.

4.1.5.2. NEMS required roles and relationships are as follows:

a. The NEMS data base at each Center is maintained by the Center's responsible data processing organization. The Center's equipment management organization operates NEMS control and analyzes its activities, making operational changes when necessary.

b. The physical operation of the NEMS central data base at the NASA Automatic Data Processing Consolidated Center

(NACC) at the Marshall Space Flight Center. The Director, Security, Logistics, Aircraft, & Industrial Relations Division, NASA Headquarters, must approve all actions of the NEMS Configuration Control Board (CCB) that bear on or impact Agency logistics policy and objectives and otherwise advise the CCB of policy implications, as necessary.

c. Each Center acts as the input source and prime user of output data by collecting data about its contractor-held equipment and in-house holdings and providing the basic information necessary to operate NEMS. In return, the Center is furnished control and redistribution information about NEMS reportable equipment.

d. Several NASA contractors, through the Center which maintains their contract, use NEMS. They provide information pertaining to the NASA equipment they hold and will use equipment made available through NEMS to meet approved requirements.

4.1.5.3. Each Center has the following focal points for its NEMS operations: the SEMO, the NEMS Equipment Manager, and NEMS Control. The NEMS Equipment Manager ensures the following:

a. Standardization and update of information pertaining to Center-held NEMS equipment data.

b. Submission of NEMS equipment data to the NEMS central data base and any follow-up required for the resolution of problems related to data submission.

c. Determination and reporting of accurate equipment status codes.

d. Preparation of NASA Form 1577, identifying unique equipment for neutralization.

4.1.5.4. The coordination required for the most effective use of NEMS output data in equipment utilization, includes the following:

a. Monitoring and evaluating the use of NEMS data and providing activity reporting.

b. Overseeing the Center NEMS Control.

c. Controlling and preparing NASA Form 1577 in conjunction with technical experts for unique equipment reutilization.

d. Ensuring that identified redistribution to or from the Center or its contractors is completed.

e. Maintaining appropriate documentation to support NEMS redistribution actions.

4.1.6. NEMS Status Codes For Equipment. In order to provide a key to the relative availability of particular items, the entry of an item will contain a status code letter reflecting its degree of availability. Status Code A indicates "Active"; and Status Code B indicates "Inactive Assigned." Property condition codes and definitions are defined in Appendix H of NPG 4300.x. Combining the equipment status code and condition code provides information regarding the reutilization potential of idle equipment. Equipment status codes and their definitions are defined in appendix F of this NPG.

4.2 Using NEMS for Equipment Availability Searches and Redistribution

4.2.1. Purpose. This part describes the recommendations for NEMS screening before new procurements are undertaken, how to redistribute equipment, and how excess equipment is handled within the NEMS.

4.2.2. Guidance Information (Reserved)

4.2.3. Screening New Procurements. Before new items of equipment are procured purchase requests must be screened to determine if the desired item or an acceptable substitute is available from either NEMS or NASA Property Disposal Management.

4.2.4. Informal Review of Item Availability

4.2.4.1. Each Center, in establishing its NEMS Control Center, will make provisions for informal screening. This capability will be designed to permit technical users of equipment to rapidly determine the availability of particular types of equipment to fulfill requirements prior to the initiation of a procurement request. This informal review permits a user to quickly examine several makes and types of equipment that may meet equipment requirements.

4.2.4.2. Informal screening will be accomplished by using procedures most suitable to the particular Center. Generally, a telephone service or simple form developed by the Center NEMS Equipment Manager is adequate to accomplish this requirement.

4.2.5. Formal Procurement Request Screening.

4.2.5.1. All Center procurement requests for items of equipment with an estimated unit cost of \$25,000 or more will be routed through the NEMS Equipment Manager for screening.

4.2.5.2. At a minimum, a manufacturer and model search of the NEMS central data-base screening file will be accomplished.

4.2.5.3. If no candidate items are found as a result of the manufacturer or model search, records may be selected by a manufacturer multiple item name search, or by multiple item names only. NEMS allows a choice of three name combinations when searching for an item in order to increase the chances of selecting all available items (e.g., select; computer, personal; personal computer; and PC). Equipment records for available items will be listed in the same format as shown for the manufacturer code and model number records.

4.2.6. Supplemental Screening. The following additional screening steps are available:

4.2.6.1. Equipment items may be screened through the Defense General Supply Center (DGSC), Federal Disposal System (FEDS), Screen by Computer and Request Excess by Electronic Notification, or the DRMS Contractor Inventory Redistribution System (CIRS). The Center Industrial Property Officer will coordinate DGSC CIRS screening with the procurement request originator.

4.2.6.2. The equipment coded active in the data file (i.e., status code A) may be screened for possible loan or transfer of accountability if the need for the item is urgent and great.

a. The NEMS equipment manager may screen the NEMS central data base by using the central equipment file ad hoc menu for records by multiple data fields.

b. If this screening is to be undertaken, the NEMS equipment manager must ensure that the requirement is of such a nature that the holding Center should be approached with a request to assist the requesting Center. It is advisable to have the requester confer with the technical personnel having the item to determine if it will fulfill the requirements.

c. Once a loan or transfer of accountability has been arranged, the NEMS Equipment Managers should take appropriate actions. The transfer of accountability of Government furnished equipment to a contractor is recorded in NEMS merely to provide an audit trail. This record is then deleted from NEMS in compliance with the FAR 45.5 requirement for contractors to maintain the official property record.

4.2.7. Screening Approved Contractor Requirements

4.2.7.1. Pursuant to the requirement established at the NASA FAR Supplement, prior to new acquisition of items meeting the definition of centrally reportable equipment with an estimated unit cost of \$1,000, contractors are required to submit a DD Form 1419, Department of Defense Industrial Plant Equipment Requisition, to the Center Industrial Property Officer or the NEMS Equipment Manager via the contractor's cognizant contracting officer and contracting officer's technical representative. The contracting officers must authorize the request to screen before the NEMS Equipment Manager will take action. The contracting officer's authorization to screen is also authorization to acquire if the item is available through NEMS or NPDMS or DGSC CIRS; it is not an authorization to purchase the item.

4.2.7.2. If the item requested on the DD Form 1419 is not available from NEMS or NPDMS, a certificate of nonavailability will be issued and returned to the contractor for further action. If an item is identified as being available, steps will be taken to redistribute this item.

4.2.7.3. A waiver for screening unique items that obviously will not be found in NPDMS may be acquired through request to the SEMO.

4.3 NEMS Operational Requirements

4.3.1. Purpose. This part defines the following NEMS operational requirements: mandatory data elements and standards used in the NEMS equipment record; operating schedule to be used for the Center NEMS data base and the NEMS central data base; output products and microfilm equipment requirements; unique equipment requirements; and input transactions and output reports for the Center and the NEMS central data base.

4.3.2 Guidance Information (Reserved)

4.3.3. The NEMS Mandatory Data Elements. Each controlled equipment record requires certain mandatory data elements to establish the record in the NEMS database. Appendix D describes each mandatory data element in detail.

4.3.4. NEMS CDB Operating Schedule. Operating schedules are established for both the Center NEMS updates and the NEMS central data-base updates. The central data-base is updated daily via electronic communication between the Center mainframe computer and the NEMS central mainframe computer.

4.3.5. NEMS Output Products. NEMS generates several types of output products at a Center and generates ad hoc reports from the NEMS central data base.

4.3.5.1 Center Output Products

a. NEMS produces reports on a daily, monthly, quarterly, semiannual, annual, and triennial basis as scheduled, and on request reports as selected. Regularly scheduled reports are batch processed overnight the following day.

b. NEMS produces NEMS Transaction Documents, a NASA Form (NF)1602, for distribution to the accountable property custodian upon initial custodian account receipt of equipment and also when change transactions are made to such equipment record.

4.3.5.2. NEMS central data base. Each Center may use the central data base for equipment redistribution screening requirements, for locating missing equipment records that may have been moved to another Center's NEMS data base, or for making equipment record inquiries on a limited number of specified data fields.

4.3.6. NEMS Documentation Archiving

4.3.6.1. The SEMO shall operate a document archiving system to ensure that an adequate audit trail is maintained for all Agency-controlled equipment.

4.3.6.2. Source documents including those for the inventory subsystem will be compiled in Entry Reference Number sequence and archived on a routine basis.

a. The original source documents need not be retained by the equipment management organization; however, the financial management organization may wish to retain original source documents that support financial changes.

b. NEMS Control will maintain appropriate archiving retrieval equipment to support retrieval and hard-copy printing of archived records as necessary to support the needs of the Center.

4.3.7. Unique Equipment

4.3.7.1. NF 1577, NASA Unique Equipment Utilization Review, will be used to conduct utilization reviews of NASA inactive unique equipment. Redistribution of unique equipment will be reported utilizing NPDMS procedures.

4.3.7.2. For control purposes and to interrelate in the NEMS central data base to items pertaining to a unique equipment capability, a unique equipment number will be developed and assigned to each NF 1577 case when prepared. The number shall be structured as follows:

a. The first two positions will be the Center number.

b. The next three positions will be a Center-developed acronym for the unique equipment.

c. The last four positions are the total number of NEMS reportable items making up the unique equipment.

4.3.7.3. As the NF 1577 is distributed, the unique equipment number will be added to the Center NEMS data base and the NEMS central data base for all applicable NEMS items by NEMS Transaction 60, NASA Held Equipment Record Data Change.

4.3.7.4. The NEMS Reutilization Coordinators, upon receipt of NF 1577 will make sufficient copies and distribute them within their Center to ensure that a complete redistribution review is conducted of the unique equipment.

4.3.8. NASA Form 1602, NEMS Transaction Document

4.3.8.1 The NF 1602 is a multipart, standard Agency form that reflects equipment information contained in the NEMS data base. This document may be replaced, at the discretion of the SEMO, by an electronic form or process that serves the same capabilities as the paper document.

4.3.8.2. The NF 1602 has the following characteristics:

a. Brief instructions for use are on the reverse side of the Suspense Copy (copy 4) of the form.

b. Transactions are initiated by checking the appropriate block(s) in the right-hand column and by following individual

instructions for Blocks 31-35.

c. Data in Blocks 1-28 and 36-38 are computer-generated. Any changes submitted by a property custodian for Blocks 1 - 28 are annotated in Block 33, Remarks. Blocks 36-38 indicate the control numbers assigned for the last transaction, the last transaction type, and the last transaction name for ready reference. Block 39 is manually annotated by NEMS Control at the time a new transaction is being processed.

d. Blocks 1, 8, 9, 11, and 12 are outlined for easily identifying the equipment control, accountable property custodian, organization mail stop, and location.

4.3.9. NEMS Central Data Base Transaction Information

4.3.9.1. The NEMS central data base is designed to provide equipment visibility for screening and redistributing NASA's equipment valued at \$1,000 or more and for locating specific equipment items or specific equipment data for management purposes.

4.3.9.2. The NEMS central data base is comprised of each Center's NEMS data base. The NEMS central data base will track transfers, provide screening and ad hoc inquiry functions, and produce reports.

a. NEMS central data base Transfer Transactions. The NEMS central data base will track Transfer actions between NASA Centers and NASA contractors through the Center Number (conveyor and receiver) and Contractor Number (conveyor and receiver) data elements as they are applied to the following NEMS transactions. These transactions should produce NEMS Report 710, Redistribution Summary from Center, on a quarterly and annual basis.

b. Transaction 04 - Receipt by Transfer from NASA Center.

c. Transaction 06 - Receipt by Transfer from Contractor.

d. Transaction 07 - Receipt by Transfer, Reported by Contractor.

e. Transaction 65 - Transfer to Another NASA Center.

f. Transaction 67 - Transfer of Government Furnished Equipment to a Contractor.

g. Transaction 68 - Transfer of Government Furnished Equipment by a Contractor.

4.3.9.3. The NEMS central equipment file "conveyor delete" should be processed prior to the "receiver add" in order to delete the conveyor's record from the transfer file and to convert the record to the receiver in the Central Equipment File. If the receiver adds the item prior to conveyor delete, the NEMS central data base will accept the duplicate record. The conveying Center is responsible for submitting the delete transaction as soon as possible to remove the duplicate record from the NEMS central data base.

4.3.9.4. NEMS CDB Screening and Ad hoc Capability. The NEMS central data base provides the following six methods of data selection available to a NASA Center:

a. Equipment Search by Manufacturer Multiple Model Numbers.

b. Equipment Search by Manufacturer Multiple Item Names.

c. Equipment Search by Multiple Item Names.

d. Equipment Search by an ECN.

e. Equipment Search by Multiple Data Elements.

f. NEMS Transfer File.

4.3.9.5. NEMS is designed to generate special data reports upon request. Most data fields can be sorted or compared with other data fields.

CHAPTER 5: Equipment Physical Inventories

5.1 Inventory Scheduling and Personnel

5.1.1. Purpose. This chapter sets forth the requirements and procedures for physical inventories of Center equipment, and states the objectives, types, schedules, and personnel required for equipment physical inventories.

5.1.2. Guidance Information (Reserved)

5.1.3. General Objectives

5.1.3.1. As an essential element of the NASA Equipment Management Program, physical inventories provide a means for the following:

- a. Determining the completeness and accuracy of the equipment records system and financial equipment accounts.
- b. Reconciling and adjusting the equipment records and financial accounts as required.
- c. Assessing the effectiveness of equipment control procedures and operations.
- d. Obtaining information needed for accomplishing broader aspects of equipment, such as equipment utilization and repair.

5.1.3.2. In general, physical inventories are designed to achieve the following objectives, depending on the type of inventory being taken:

- a. Verifying that recorded equipment is still on hand.
- b. Confirming or determining current location and custodial responsibility for equipment.
- c. Identifying unrecorded equipment that qualifies for control.
- d. Locating or identifying missing equipment.
- e. Identifying obviously unused or underutilized equipment.
- f. Identifying equipment obviously in need of repair or rehabilitation.

5.1.4. Types and Frequency of Inventories

5.1.4.1. A complete cyclic physical inventory of controlled equipment will be taken at each Center at least once every 3 years. The inventory method, as a minimum, must be designed to achieve the objectives stated herein, with reconciliation being completed once every 3 years. Each Center may utilize or design an inventory by exception process to achieve a complete inventory. The inventory by exception development process is at the discretion of the Center's SEMO.

- a. The inventory may be accomplished through a combination of various methods such as visual inspections, custodian validations, and NEMS equipment transactions, or the inventory can be conducted through the traditional wall-to-wall visual inspection and recording.
- b. The inventory methodology specifically developed by the Center NEMS Equipment Manager should be designed to work in concert with Center-unique processes.
- c. A complete cyclic inventory must, as a minimum, achieve the objectives as set forth in paragraph 5.1.3.2. An inventory that merely serves to locate items currently charged to a property management account area does not meet the requirement for a complete physical inventory.
- d. Items on loan or borrow to other Centers or to organizations outside of NASA will be identified in NEMS by "out code" status. NEMS accepts those items in a NEMS "out code" status as inventoried and automatically assigns an inventory date. Those items identified on NEMS Report 772, Items in Out Code Status, must be certified on the report, however, as in a valid "out code", i.e., review storage document, loan document, shipping document.

5.1.4.2. At the SEMO's discretion, unannounced inventories of the Center's sensitive items may be conducted as necessary to ensure that proper controls for sensitive items are in place. The findings will be documented and filed, and the NEMS Equipment Manager will assign each corrective action to a responsible point of contact to ensure their timely resolution.

5.1.4.3. At the SEMO's discretion, when a Property Custodian account changes hands, the outgoing and incoming custodians must jointly conduct a full inventory of the account prior to acceptance by the incoming custodian (inventory personnel may be contacted for assistance, depending on Center policy). Upon the mutual agreement of both

the outgoing and incoming property custodian, and with the written approval of the cognizant Division Directors and Center Equipment Manager, this inventory can be waived. Documentation to support this agreement will be retained by Equipment Management.

5.1.4.4. Special inventories may be taken at the discretion of the Center's SEMO. a. A special inventory may be designed to achieve one or more objectives, depending on the purpose for which the inventory is being taken. b. The results of special inventories can also be credited to cyclic and property custodian inventory requirements.

5.1.5. Inventory Schedule

5.1.5.1. The NEMS equipment manager will develop a written schedule and plan, including allowances for contingencies, for accomplishing all physical inventories. Calendar years will be used as the basis for scheduling, planning, and conducting physical inventories.

5.1.5.2. Preinventory reports are provided in the NEMS inventory module to aid each Center in the development of its inventory schedule.

5.1.5.3. Current information comparing the status of inventory progress to the schedule will be maintained and used to revise the schedule, when necessary, to ensure the completion of all inventories.

5.1.5.4. The inventory schedule may be manual or automated and will contain, as a minimum, the data elements listed below:

- a. Identification.
- b. Name of property custodian.
- c. Identification account symbol.
- d. Location of accounts.
- e. Events.
- f. Schedule start date.
- g. Actual start date.
- h. Notifications:
 - (1) Date of Preinventory notification.
 - (2) Date Custodian notified of results.
 - (3) Date Division notified of results.

5.1.6. Inventory Personnel

5.1.6.1. The SEMO will designate, in writing, individuals responsible for conducting cyclic, sensitive, and special inventories. These individuals will be fully instructed in inventory techniques technologies. The cognizant property custodian, the NEMS Equipment Manager, program/project directors, or other persons, as deemed necessary, will assist in physical inventories. Property custodians will provide custodian account validations upon request from the Equipment Manager.

5.2 Inventory procedures

5.2.1. Purpose. This part establishes basic procedures required to timely prepare for and take complete physical inventories, sensitive inventories, new property custodian inventories, and special inventories. The detailed operating instructions used by each Center must, as a minimum, incorporate these procedures.

5.2.2. Guidance Information (Reserved)

5.2.3. Preinventory Actions for Cyclic Inventory

5.2.3.1. Send a written notification to the property custodian and Division Director of the planned inventory at least 30 calendar days in advance. Inventory by exception may be utilized at the discretion of the SEMO.

- a. Include instructions as to prior actions to be taken to expedite the inventory.
- b. Define the inventory method to be used, and advise the property custodian and Division Director or chief of the anticipated impact to the operation.

5.2.3.2. Ensure that the property custodian has a current record of all controlled equipment charged to the custodian's area upon request.

5.2.4. Actions During an Inventory

5.2.4.1. The inventory team will conduct the inventory discreetly and with minimal disturbance to the organization.

5.2.4.2. Items found borrowed from other management areas will be reconciled by the accountable property custodian.

5.2.4.3. Equipment on loan or lease from organizations outside of the Center should contain bar- coded loan or lease tags, which will be identified or scanned as they are found within the inventory accounts. Loan and lease items will process as inventory updates if the equipment account and location correspond to the account and location recorded in the NEMS data base.

5.2.4.4. Equipment that appears to be obviously excess, worn out, or in need of repair will be noted during an inventory. The results of the inventory report will highlight the finding for appropriate followup action by the cognizant property custodian or equipment user.

5.2.4.5. Equipment that appears to be obviously unused or underutilized will be noted during an inventory. The results of the inventory report will highlight the finding in order for the cognizant property custodian to obtain user verification of status or return, as appropriate.

5.2.4.6. Equipment found on station during the inventory, which meets the criteria for control, will be identified to the using organization, tagged, and recorded during the inventory using NASA Form 1618, Found On Station Investigation Report.

5.2.4.7. All items not located but found subsequent to the initial inventory will be verified and documented in the inventory file with date found, location, and individual sighting the item.

5.2.5. Cyclic Inventory Reconciliation and Adjustment

5.2.5.1 Reconciliation and adjustment to the NEMS data base must be accomplished on a timely basis as the inventory progresses, but in no event take longer than 60 calendar days from the completion of the physical inventory. All reconciliation and adjustments to the inventory will be supported by documentation. The NEMS Equipment Manager will--

5.2.5.2. Take action to enter into the equipment records and into the financial accounts equipment found during the inventory that had not previously been recorded and which meets the criteria for control. This action must be taken within 30 calendar days after such discovery.

5.2.5.3. Obtain reports of survey for items not located. Delete items from the records and accounts.

5.2.5.4. Determine that the property custodian is charged with equipment found in other property management areas for which there is no documented loans. Such equipment will be returned to the assigned area, transferred between custodians, or documented as a loan.

5.2.6. Sensitive-Item Inventory

5.2.6.1. Sensitive-item inventories are conducted at the discretion of the Center SEMO. A 20- percent sample of the Center's sensitive items can be generated by NEMS Report 190. NEMS will randomly select the items from the Center data base and sort the 20- percent sample by property custodian account.

5.2.6.2. The sensitive-item inventory requires an actual sighting of the sensitive item. A separate sensitive inventory file should be established to document the results of each sensitive-item inventory. A custodian account that cannot produce all sensitive items within 24 hours after the 20-percent spot check will undergo a special review by the NEMS Equipment Manager to determine if a 100-percent, sensitive-item inventory should be accomplished.

5.2.6.3. Unless equipment control factors are problematic or the NEMS Equipment Manager determines otherwise, annual, unannounced 20-percent sample sensitive-item inventories should not be conducted.

5.2.6.4. The sensitive-item inventory will be considered complete when Survey Reports have been submitted.

5.2.7. New Property Custodian Inventory

5.2.7.1. When a property management account is assigned to a new property custodian, a 100- percent inventory should be taken of the area. The outgoing and incoming custodians have the primary responsibility to perform this inventory together; however, inventory personnel may be contacted for assistance, depending on Center policy. A statement will be submitted to the NEMS Equipment Manager, from the outgoing custodian or Division Director or chief, if the custodian left the Agency, and the incoming custodian that the inventory was accomplished and that all items were found or reports of survey were submitted. Each Center will set its own policy and procedure regarding the use of the standard inventory scanners and bar-code readers for this type of inventory.

5.2.7.2. This inventory may be waived if mutually agreed to by both the gaining and losing property custodians and with the written approval of the Equipment Manager. Documentation to support this agreement will be retained by the Equipment Manager.

5.2.8. Special Inventory. Special inventories may be conducted as directed by the SEMO.

5.3 Inventory Reports and Files

5.3.1. Purpose. This part prescribes the inventory reports to be provided to Division Directors, property custodians, and the Center Director, and the cyclic inventory files to be maintained for each property management area.

5.3.2. Guidance Information

5.3.3. Inventory Reports to Division Directors and Property Custodians

5.3.3.1. The SEMO will, within 30 working days after completion of the inventory of a property management area or grid location, provide the property custodian(s) and the appropriate Division Director a report of the results of the inventory. This report may be submitted in an electronic form for streamline communication objectives. This report will include, as a minimum, the following: a. Start and completion dates of the inventory. b. Number and value of recorded items charged to the property custodian account which were found in the area. c. Number and value of recorded items charged to the property custodian account which were not found in the area and not covered by documented loans. d. Number and value of unrecorded items found in the area which meet the criteria for control. e. In addition, specific instructions will be given to the property custodian to resolve discrepancies and adjust the records.

5.3.3.2. The property custodian will be allowed a maximum of 30 working days for correction of the cited discrepancies and submission of survey reports, unless an extension, in writing, has been granted by the SEMO.

5.3.3.3. After all accounts within a division or grid location have been completed, the SEMO will provide the responsible Division Director with a summary report of all accounts within the division.

5.3.4. Inventory Reports To Management Of Inventory Results

5.3.4.1. A report indicating the results of the physical inventory, during the preceding calendar year, will be prepared annually by the Center SEMO. This report will be submitted on or before April 1 of each year to the Center Director or one level subordinate to the Director. A copy should be included in the annual Center Self Assessment files. This report will include the following:

- a. Number of property management areas and number of items scheduled for inventory during the year.
- b. Number of property management areas for which physical inventory was completed during the year.
- c. Number of items and value of equipment inventoried.
- d. Number and value of items added to the records as a result of the physical inventory.
- e. Number and value of lost items surveyed from the records as a result of physical inventory.
- f. Number and value of items that were previously surveyed and added to the records as a result of the physical inventory.
- g. Conclusions and any procedural changes initiated following analysis of the inventory results.

5.3.4.2. The final report for each cycle will be accompanied by a summary report that reflects the overall results of the inventory for the period. Senior Center management, SEMO, and the equipment logistics manager at NASA Headquarters, should also be informed of reasons for large increases or decreases in adjustments, adds, and surveys.

5.3.5. Inventory Files

5.3.5.1. In addition to the overall inventory schedule and plan prescribed in this section, files will be established and maintained for each property management custodian area. Each file should contain all necessary documents to clearly indicate the status and results of the inventory in each area. Examples of documents to be included are the following:

- a. Notification to the property custodian of the schedule for inventory.
- b. Designation of individuals responsible for taking the inventory.
- c. Upon request, a listing of items charged to the area at the beginning of the inventory; the size of the listing for a large account may prohibit retention in the central file.
- d. Upon request, a report to the property custodian and the respective Division Director or chief of the inventory results, as prescribed in paragraph 5.3.3. e. NEMS listings validated by the property custodian.

5.3.5.2. A new file for each property management area or custodian account will be established for each inventory cycle. File folders generated during the preceding inventory cycle will be retained at the Center. Older inventory cycle files may be destroyed

CHAPTER 6. Self-Assessment

6.1 Self-Assessments and Headquarters Site Visits

6.1.1. Purpose. This chapter sets forth the recommended evaluation process used for conducting functional self-assessments. Equipment Management Self-Assessments are internal examinations by a Center functional manager of the performance of an area, as well as its compliance with established laws, regulations, policies, and requirements. Headquarters site visits are intended to support the Center equipment management programs by providing specialized technical or managerial support.

6.1.2. Guidance Information (Reserved)

6.1.3. General Policy. Each NASA Center shall develop a self-assessment program in accordance with Agency self-assessment policy. The program shall include a review of the Center's Equipment Management Program in sufficient detail to determine the adequacy of equipment accountability and control.

The self-assessment shall be performed, using approved methods developed by the Center SEMO. The self-assessment should examine the integrity of the equipment management program and ensure that the performances established in the NPD 4200.1, Equipment Management Manual, are being efficiently accomplished. Self-assessments may be tailored to accommodate individual and unique equipment accountability and control requirements of the Center.

6.1.4. Self-Assessment Responsibilities. The NEMS Equipment Manager is the principal functional participant in the equipment management self-assessment and is responsible for the following:

6.1.4.1. Coordinating the equipment management operations and workload to support the self-assessment.

6.1.4.2. Accomplishing the NEMS extracts in preparation for the self-assessment.

6.1.4.3. Providing technical and functional support to the self-assessment team.

6.1.4.4. Implementing operational improvements identified by the self-assessment review.

6.1.5. NASA Headquarters Site Visits

6.1.5.1. Each NASA Center shall be afforded the opportunity for special technical assistance from NASA Headquarters in the form of site visits. Site visits are conducted in response to equipment management problems that are potential material weaknesses; in support of less critical special needs of the Center equipment management program; or, at the invitation of the SEMO, in support of the Equipment Management Self-assessment.

6.1.6. Site Visit Responsibilities

6.1.6.1. The SEMO is the principal management contact associated with site visits and is responsible for the following:

a. Coordinating with the Lead, Logistics Management Team, NASA Headquarters in support of the site visit.

b. Coordinating any additional support needed from the supply and equipment community at other NASA Centers for the site visit.

c. Implementing equipment management policy improvements identified by the site visit.

6.1.6.2. The Headquarters (Agency) Logistics Manager is the principal functional contact associated with the site visits and is responsible for coordinating the equipment management operations and workload to support the site visit accomplishing any necessary NEMS extracts in preparation for the site visit, providing technical and functional support to the site visit team, and implementing operational improvements identified by the site visit.

APPENDIX A

DEFINITION OF TERMS

Administrative Property - Property that is not specifically scientific or technical in nature, or equipment that is being used primarily for administrative purposes.

Agency-Peculiar Property - As set forth in the FAR Subpart 45.301, personal property that is peculiar to aeronautical and space programs of NASA, and is not otherwise included in the categories of property set forth in FAR Subpart 45.101. It includes such items as aircraft, engines, space vehicles, and other similar components and related support equipment furnished for use as a standard or model to establish equipment compatibility, or for such other similar reasons as may be determined by the contracting officer.

Note: This definition applies to contractor-held property so classified for contract purposes. Upon transfer or delivery to the Government, it becomes equipment or material. If such property is later provided to a contractor, it is again considered to be Agency-peculiar property.

Auxiliary or Accessorial ADP Equipment - Auxiliary or accessorial ADP equipment includes plotters, tape cleaners, tape testers, data conversion equipment, source data automation recording equipment (optical character recognition devices, microfilm and other data acquisition devices), or computer performance evaluation equipment designed for use with digital, analog, or hybrid computer equipment, either cable or modem connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately.

Borrows - Term used to differentiate internal loans between custodians at the same Center or between Centers from external loans within NEMS.

Calibration - The process of determining the deviation from a standard so as to ascertain the proper correction factors for measuring instruments.

Cannibalization - The removal of serviceable parts, components, or assemblies from one piece of equipment to be used as replacement parts in other equipment or to fabricate another item.

Capital Equipment - An item of equipment with an acquisition cost of \$5,000 or more that has an estimated service life of 2 years or more, that will not be consumed in an experiment, and that most generally will be identified as an independently operable item.

Centrally Reportable Equipment - Plant equipment, special test equipment including components, special tooling, and nonflight space property, including ground support equipment that is (1) generally commercially available and used as a separate item or component of a system, and (2) is valued at \$1,000 or more, and (3) is identifiable by a manufacturer and model number.

Collateral Equipment - Encompasses building type equipment, built-in equipment, and large, substantially affixed equipment or property, and is normally acquired and installed as a part of a facility project. It includes the following:

(1) **Building-Type Equipment** - Equipment that is normally required to make a facility useful and operable. It is built in or affixed to the facility in such a manner that removal would impair the usefulness, safety, or environment of the facility. Such equipment includes elevators; heating, ventilating, and air-conditioning systems; transformers; and compressors and other like items generally accepted as being an inherent part of a building or structure and essential to its utility. It also includes general building systems and subsystems such as electrical, plumbing, pneumatic, fire protection, and control and monitoring systems.

(2) **Built-in or Large, Substantially Affixed Equipment or Property** - The unit of equipment or property of any type other than building type equipment that is built in, affixed to, or installed in real property in such a manner that the Center cost, including special foundations or unique utility services, or facility restoration work required after its removal, exceeds \$100,000.

NOTE: For capitalization purposes, the costs and Center of the above equipment are generally included in the real property accounts. However, the cost of affixed equipment classified as personal property upon completion of a project will be recorded as such if it otherwise meets the capitalization criteria in FMM 9250-32.

Component Equipment Item - An item of equipment that is used as a subassembly to a larger assembly. Parts are not to be considered component equipment items.

Condition Code - A code assigned to indicate the physical condition and usability of equipment.

Contract Number - A unique identifier assigned to each NASA Contract, pursuant to the NASA FAR Supplement 1804.702.

Contracting Officer - Any person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings .

Contracting Officer Technical Representative - An authorized representative of a contracting officer, acting within the limits of his/her authority.

Contractor-Acquired Equipment - Equipment procured or otherwise provided by the contractor for the performance of a contract, title to which is vested in the Government.

Contractor Inventory Redistribution System (CIRS) - A system through which property no longer needed by DOD contractors is made available for reuse.

Controlled Equipment - All equipment with an acquisition cost of \$1,000 or more, that has an estimated service life of 2 years or more, which will not be consumed or expended in an experiment, and selected items of equipment with an acquisition cost less than \$1,000 that are designated, and identified as sensitive by the holding Center.

Custodial Records - Written memoranda or identifying checks of any description or type used to control items of equipment such as requisitions, NASA Form 1602, transaction documents, tool checks, stock record books or, machine records.

Disposal - The disposition of surplus personal property that is surplus through donation, sale, abandonment, or destruction.

Duplicate Records - An Equipment Control Number (ECN) held accountable by two different sub-Center codes in the NEMS central data base at the same time.

Entry Reference Number - A unique control number generated by NEMS for each transaction input to NEMS.

Equipment - An item of real or personal property, generally in the configuration of a mechanical, electrical, or electronic apparatus or tool, normally costing in excess of \$100, that may perform a function independently or in conjunction with other equipment or components.

Equipment Control - The maintenance of records or documents of equipment transactions that provide information such as item identification number, description, and current physical location.

Equipment Control Number - The identification number assigned and affixed to each item of equipment for control purposes by a tag or decal number.

Equipment Control Number Register - A written record of the assignment of Equipment Control Numbers.

Equipment Found on Station - Any equipment meeting the criteria for control for which formal accountability has not been established.

Equipment Pool - The collection, at a central point, of equipment under control for issue to individuals or organizations.

Equipment Record - A record maintained by the Supply and Equipment Management Officer that provides selected information about each item of controlled equipment.

Equipment Reutilization Screening - The examination of existing equipment documentation for the purpose of fulfilling equipment requirement through reassignment.

Equipment Systems - Assemblies of component equipment items designed and operated to accomplish specific functions.

Equipment Utilization Program - A program to ensure maximum effectiveness in the management and utilization of NASA equipment.

Excess Turn-In (see NASA Excess) - Personal property determined unnecessary to the need and discharge of the holding organization and, therefore, returned to the property organization for reutilization or disposal.

Fabricated Item - Personal property that is manufactured for, or constructed by, the using organization. Fabricated items meeting the controlled equipment criteria will be controlled.

Facilities Contract - Pursuant to NASA FAR Supplement 45.301, a contract under which Government Facilities are provided to a contractor or subcontractor by the Government for use in connection with performing one or more related contracts for supplies or services. It is used occasionally to provide special tooling or special test equipment. Facilities contracts may take the form of a "facilities acquisition contract," "facilities use contract," or "consolidated facilities contract."

Federal Disposal System - A replacement of FSS-23 - The GSA Excess and Surplus Personal Property Disposal System. FSS-23 was implemented in 1975 as a computer system to track and control General Service Administration's Nationwide inventory of reportable excess and surplus property.

Federal Supply Class (FSC) - A 4-digit property identification code describing commodity classification. See Federal Cataloging Handbook H2 series.

Fixed Assets - Assets of a permanent character having a continuing value such as land, buildings, and other structures and facilities, including collateral and non-collateral equipment meeting the criteria for capitalization.

Freeze Number - A uniquely assigned 10-digit number generated by the NEMS control data base, verifying the availability of an item for transfer.

Government-Furnished Equipment - Equipment furnished to a contractor, or acquired by the contractor, as in Contractor-Acquired Equipment.

Leased Equipment - Equipment that has been conveyed by or to NASA by contract for a certain time period in consideration of payment of rental fee.

Loaned Equipment - Equipment in temporary use by other than the accountable organization.

Maintenance and Repair of Equipment - Recurring day to day, periodic, or scheduled activity required to keep equipment in working condition, or to resolve it or its components to a condition substantially equivalent to its original designed capacity and efficiency.

Manufacturer's Model Number - The identification of a single type of item of a manufacturer's product line.

Modification - A basic or functional change made to an equipment item to give a new orientation or to serve a new purpose.

NASA Excess - Personal property that is determined to be unnecessary to the needs and discharge of the responsibilities of all NASA Centers.

NASA FAR Supplement - A document that, with the Federal Acquisition Regulation (FAR), establishes uniform policies and procedures relating to the procurement of property and services. The NASA FAR Supplement applies to all purchases and contracts made by NASA for property and services that obligate appropriated funds.

NEMS Central Data Base (CDB) - Provides equipment visibility for screening and redistributing NASA equipment valued at \$1,000 or more and locates specific equipment items or data for managerial purposes. The NEMS central data base is comprised of each Center's NEMS data base. Centers submit NEMS transactions processed on a daily basis to the NEMS central data base for update. The NEMS central data base tracks transfers, provides screening and ad hoc inquiry functions, and produces management reports as requested.

NEMS Configuration Control Board - A permanent technical control group that is responsible for maintaining NEMS configuration control. Membership is comprised of a representative from each Center and NASA Headquarters. The Board Chairperson convenes the group as necessary.

NEMS Control - That segment of the equipment management organization that processes all equipment transactions and generates applicable forms and reports. See Transaction Document.

NEMS Equipment Manager - The key individual(s) within the Center equipment management organization interfacing with the property custodians and equipment users. Maintains and controls equipment records and assists custodians and users in property procedures for and documentation of equipment actions.

National Asset - Equipment may be classified as a national asset and be retained by the Center in an inactive status, provided the item is of special purpose in nature, costly in its design and development, one of a kind or nationally scarce, or its reuse potential warrants retention, even though a firm future requirement does not exist.

Noncapital, Nonsensitive Controlled Equipment - Items with an acquisition cost between \$1,000 and \$4,999 and not identified as sensitive items.

Noncollateral Equipment - Noncollateral equipment imparts to the facility or test apparatus its particular character at the time, e.g., furniture in an office building, laboratory equipment in a laboratory, test equipment in a test stand, machine tools in a manufacturing facility, computer in a building useful or operable (as structure or building). Such equipment, when acquired and used in a facility or a test apparatus, can be severed and removed after erection on Center, without substantial loss of value or damage thereto or to the premises where installed.

Noncontrolled Equipment - Items of equipment not designated as sensitive which have an acquisition cost of less than \$1,000.

Nonreportable Property - Excess personal property that does not meet the minimum requirements as specified in NPG 4300.1, NASA Personal Property Disposal Procedures and Guidelines.

Personal Property - Property of any kind, including equipment, materials, and supplies, but excluding real property.

Plant Clearance - All actions related to the screening, redistribution, and disposal of contractor inventory from a contractor's plant or work site. Contractor's plant includes a Government facility when contractor-operated.

Plant Equipment - Personal property of a capital nature, consisting of equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items but excluding special tooling and special test equipment that are used, or are capable of use, in the manufacturing of supplies, in the performance of services, or for any administrative or general plant purpose. Note: This definition applies only to contractor-held property so classified for contract purposes.

Property Accountability - A record of transactions, systematically maintained, which at any given time will disclose item identification, quantity, cost, location, and custodial responsibility of personal property controlled by a Center or a contractor.

Property Administrator - An individual duly designated by the contracting officer to administer contract requirements and obligations relative to Government property. The Property Administrator is an authorized representative of the contracting officer. See NASA Far Supplement Subpart 18-45.72.

Property Custodian - An individual organizationally or geographically assigned who is responsible for all controlled equipment assigned to a designated property management area.

Property Disposal Officer - The official appointed by the Center Director who is responsible for managing the Center's screening, redistribution, and disposal functions.

Property Management Area - An area of property management responsibility by organization or by a geographic area, selected by the Supply and Equipment Management Officer in conjunction with the head of the organizational unit, for the assignment of a property custodian for property control.

Property Survey Board - Composed of two or more members (with alternates as appropriate) and a chairperson, which will investigate and make recommendations to Division Directors and other appropriate Center officials concerning the loss, damage, or destruction of property exceeding \$1,000 in acquisition value.

Purchase Request or Purchase Order - A document utilized to state requirement for, and to authorize purchase of, goods and services.

Redistribution - The reassignment of equipment for other use with appropriate transfer of accountability.

Salvage - Personal property that has some value in excess of its basic material content but that is in such condition that it has no reasonable prospect to use for any purpose as a unit (either by the holding or any other Federal agency) and its repair or rehabilitation estimated to cost in excess of 65 percent of acquisition cost would be considered "clearly impractical."

SCREEN - Screen by Computer and Request Excess by Electronic Notification (SCREEN) is an interactive, electronic bulletin board that allows Federal agencies to search, freeze, and request transfer of excess property.

Sensitive Item - An item of equipment that, due to its pilferable nature or the possibility of its being a hazard, requires a stringent degree of control. A sensitive item can be capital or noncapital equipment. Generally, sensitive items are controlled at an acquisition cost of \$100 or more.

Shipping Document/Request for Shipping - The authorization and acceptance document that accompanies equipment when it is being sent to another location.

Spare - An item peculiar to a system or end item and held in reserve.

Special Test Equipment - As set forth in the FAR Subpart 45.101, either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special-purpose testing in performing a contract. A testing unit consists of all electrical, electronic, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment including standard or general-purpose items or components that are mechanically, electrically, or electronically interconnected so as to become a new functional entity, causing the individual item or items to become interdependent and essential in the performance of special-purpose testing in the development or production of particular supplies or services. The term "special test equipment" does not include the following: material, special tooling, buildings and nonseverable structures (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

Note: This definition applies only to contractor-held property so classified for contract purposes.

Status Code - A key to the relative availability of NEMS reportable equipment by codes, A (active), B (inactive assigned).

Surplus Personal Property - Personal property not required for the needs and the discharge of the responsibilities of all Federal agencies.

Survey Report - A report of administrative action taken to investigate and review the loss, damage, or destruction of Government property and to assemble pertinent facts and determine the extent of such loss, damage, or destruction.

Transaction - Each add, delete, or change to an equipment record in NEMS.

Transaction Control Document (NASA Form 1602) - The document generated by NEMS that controls property custodian equipment transactions after initial entry into the NEMS data base and that serves as the property custodian's detailed record for each assigned equipment item.

Unique Equipment - Specialized equipment items or equipment systems normally not commercially available that are identified as unique when the equipment becomes inactive.

APPENDIX B

EQUIPMENT TYPE ACCOUNTS

Title and Definition

1551 Mechanical Equipment. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|---|
| 28 | Engines, Turbines, and Components |
| 30 | Mechanical Power Transaction Equipment |
| 31 | Bearings |
| 35 | Service and Trade Equipment |
| 36 | Special Industry Machinery |
| 37 | Agricultural Machinery and Equipment |
| 38 | Construction, Mining, Excavating, and Highway Maintenance Equipment |
| 41 | Refrigeration, Air Conditioning, and Air Circulating Equipment |
| 42 | Fire Fighting, Rescue, and Safety Equipment |
| 43 | Pumps and Compressors |
| 44 | Furnace, Steam Plant, and Drying Equipment, and Nuclear Reactors |
| 45 | Plumbing, Heating, and Sanitation Equipment |
| 46 | Water Purification and Sewage Treatment Equipment |
| 47 | Pipe, Tubing, Hose, and Fitting |
| 48 | Valves |

1552 Laboratory Equipment. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--|
| 65 | Medical, Dental, and Veterinary Equipment and Supplies |
| 66 | Instruments and Laboratory Equipment |
| 68 | Live Animals |

1553

Shop Machinery and Equipment. This category includes equipment identifiable to Federal Supply Group:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|---------------------------------------|
| 32 | Woodworking Machinery and Equipment |
| 34 | Metalworking Machinery |
| 49 | Maintenance and Repair Shop Equipment |
| 51 | Hand Tools |
| 52 | Measuring Tools |

equipment identifiable to

Federal Supply Group:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|------------------------|
| 67 | Photographic Equipment |

1554 Photographic Equipment. This category includes

1555 Electrical and Electronic Equipment. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|---|
| 58 | Communication, Detection, and Coherent Radiation Equipment |
| 59 | Electrical and Electronic Equipment Components |
| 60 | Fiber Optics Materials, Components, Assemblies, and Accessories |
| 61 | Electric Wire, and Power and Distribution Equipment |
| 62 | Lighting Fixtures and Lamps |
| 63 | Alarm and Signal Systems |

1556 Training Equipment. This category includes equipment identifiable to Federal Supply Group:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|---------------------------|
| 69 | Training Aids and Devices |

1557 Furniture and Office Equipment. This category includes equipment identifiable to Federal Supply Group:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|---|
| 71 | Furniture |
| 72 | Household and Commercial Furnishings and Appliances |
| 74 | Office Machines and Visible Record Equipment |
| 75 | Office Supplies and Devices |
| 76 | Books, Maps, and Other Publications |

1558 Motor Vehicles and Transportation Equipment. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--|
| 19 | Ships, Small Craft, Pontoons, and Floating Docks |
| 20 | Ship and Marine Equipment |
| 22 | Railway Equipment |
| 23 | Ground Effect Vehicles, Motor Vehicles, Trailers, and Cycles |
| 24 | Tractors |
| 25 | Vehicular Equipment Components |
| 26 | Tires and Tubes |
| 39 | Materials Handling Equipment |

1559 Aircraft. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--|
| 15 | Aircraft and Airframe Structural Components |
| 16 | Aircraft Components and Accessories |
| 17 | Aircraft Launching, Landing, and Ground-Handling Equipment |

1560 Personal Services Equipment. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--------------------|
|-----------------|--------------------|

| | |
|----|--|
| 73 | Food Preparation and Serving Equipment |
| 77 | Musical Instruments, Phonographs, and Home-Type Radios |
| 78 | Recreational and Athletic Equipment |
| 84 | Clothing |
| 85 | Toiletries |
| 89 | Subsistence |

1561 Space Vehicles. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--------------------|
| 14 | Guided Missiles |
| 18 | Space Vehicles |

1562 Miscellaneous Equipment. This category includes equipment identifiable to Federal Supply Groups:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--|
| 10 | Weapons |
| 11 | Nuclear Ordinance |
| 12 | Fire Control Equipment |
| 13 | Ammunition and Explosives |
| 29 | Engine accessories |
| 40 | Rope, Cable, Chain, and Fittings |
| 53 | Hardware and Abrasives |
| 54 | Prefabricated Structures and Scaffolding |
| 55 | Lumber, Millwork, Plywood, and Veneer |
| 56 | Construction and Building Materials |
| 68 | Chemicals and Chemical Products |
| 79 | Cleaning Equipment and Supplies |
| 80 | Brushes, Paints, Sealers, and Adhesives |
| 81 | Containers, Packaging, and Packing Supplies |
| 83 | Textiles, Leather, Furs, Apparel and Shoe Findings, Tents, and Flags |
| 87 | Agricultural Supplies |
| 91 | Fuels, Lubricants, Oils, and Waxes |
| 93 | Nonmetallic Fabricated Materials |
| 94 | Nonmetallic Crude Materials |
| 95 | Metal Bars, Sheets, and Shapes |
| 96 | Ores, Minerals, and Their Primary Products |
| 99 | Miscellaneous |

1563 Automatic Data Processing Equipment. This category includes equipment identifiable to Federal Supply Group:

| <u>FS Group</u> | <u>Description</u> |
|-----------------|--|
| 70 | General Purpose Automatic Data Processing Equipment, Software, Supplies, and Support Equipment |

APPENDIX C

AGENCY (NASA) MINIMUM STANDARD SENSITIVE ITEMS LIST

Items, regardless of acquisition value.

1. WEAPONS, ALL FORMS - AIR, SPRING, POWDER, OR OTHER PROPULSION SYSTEM.

Items with an acquisition value of \$100 or more.

1. AUTOMATED DATA PROCESSING EQUIPMENT (ADPE), which includes the following:

- a. MONITORS.
- b. PRINTERS.
- c. TERMINALS.
- d. COMPUTERS, PERSONAL, which include the following:
 - (1) LAPTOPS.
 - (2) PORTABLES.
 - (3) WORD PROCESSORS.

2. BINOCULARS.

3. CAMERAS (MOVIE, STILL, AND TELEVISION).

4. ENVIRONMENTALLY HAZARDOUS DEVICES.

5. MICROSCOPES.

6. PLAYERS, VIDEO CASSETTE.

7. PROJECTORS, SLIDE AND MOTION PICTURE.

8. RADIOS, RECEIVERS, AND TRANSCEIVERS.

9. RECORDERS, VIDEO.

10. TELESCOPES.

11. TELEVISIONS.

12. OTHER ITEMS THAT HAVE A HIGH LOSS RATE AS REFLECTED BY A CENTER'S REPORTS OF SURVEY.

APPENDIX D

NEMS MANDATORY DATA ELEMENTS IN DETAIL

a. Equipment Control Number. The Equipment Control Number (ECN) is the key, unique identifier for each equipment record in NEMS. The ECN is assigned when an equipment item is first received in NASA; the ECN remains with the item until the equipment is permanently removed from NASA's equipment records; the ECN is the primary key for extracting data from the NEMS data base. The NASA Headquarters, Logistics Management Team, is responsible for Agencywide control of ECN's to prevent loss and duplication. All NEMS-controlled equipment records must have a 7-position ECN as follows:

(1) Controlled Equipment. Controlled equipment item records are established with a 7-position numeric number. That number corresponds to the bar-coded tag or the mini tag that has been affixed to the equipment item. NASA Headquarters, Logistics Management Team, manages the procurement (contract) and controls assignment of all tag control numbers. Usually, blocks of serial-assigned numbers are distributed to each NASA Center.

b. Center Code. Each Center and sub-Center, as appropriate, must be identified by two 2-position numeric codes within NEMS to identify the accountable Center and track transfer actions in the Center data base. Following is the NEMS NASA Center Number Table:

| INST | | | | ZIP |
|------|-----|--------------------------------------|---------|------------|
| ACCT | SUB | CENTER NAME | ACRONYM | CODE |
| 01 | 01 | Langley Research Center | LaRC | 23681-0001 |
| 02 | 02 | Ames Research Center | ARC | 94035-1000 |
| 04 | 04 | Dryden Flight Research Center | DFRC | 93523-0273 |
| 03 | 03 | Glenn Research Center | GRC | 44135-3191 |
| 05 | 05 | Goddard Space Flight Center | GSFC | 20771-0001 |
| 05 | 11 | Headquarters | HQ | 20546-0001 |
| 07 | 07 | Jet Propulsion Laboratory | JPL | 91109-8099 |
| 08 | 08 | Marshall Space Flight Center | MSFC | 35812-0001 |
| 08 | 81 | Prog. Inf. Sys. Mission SVS (PRISMS) | MSFC | 35812-0001 |
| 09 | 09 | Johnson Space Center | JSC | 77058-3696 |
| 09 | 91 | White Sand Test Facility | WSTF | 88004-0020 |
| 09 | 92 | Johnson Space Center (SPOC-USA/West) | JSC | 77058-3696 |
| 10 | 10 | Kennedy Space Center (NASA) | KSC | 32899-0001 |

| | | | | |
|----|----|---------------------------------------|-----|------------|
| 10 | 15 | Kennedy Space Center (BOC) | KSC | 32899-0001 |
| 10 | 16 | Kennedy Space Center (SPOC-USA/East) | KSC | 32899-0001 |
| 10 | 17 | Kennedy Space Center (Vandenberg AFB) | KSC | 93438 |
| 10 | 18 | Kennedy Space Center (PGOC) | KSC | 32899-0001 |
| 10 | 19 | Kennedy Space Center (SPOC-USA/West) | KSC | 32899-0001 |
| 13 | 13 | Stennis Space Center | SSC | 39529-6000 |

c. Contract Number. NEMS transactions processed for contractor-held equipment items must be identified to the contracting Center as shown above, and also to the 9-position, alphanumeric accountable contract number to identify the accountable contract and track contract transfer actions in the CDB. Contract numbers will begin with the Center prefix, followed by a hyphen, the contract number, and an 'F' if it is a facilities contract (e.g., JSC contract 9-16492F). The corresponding pseudo equipment control number and contractor tag number are data elements that are mandatory for contractor-held equipment transactions.

d. Item Name. Each equipment record must contain an item name. Item names must be assigned in a consistent manner that ensures accurate identification for locating all like items when screening NEMS for reutilization and other purposes. All equipment records added to the NEMS data base must be reviewed by a Center to ensure standardization of all NEMS descriptive terms.

e. Manufacturer's Code. Each equipment record in NEMS requires assignment of a manufacturer's code. Each manufacturer's code must correspond to the manufacturer's name and address as shown in the NEMS Central Manufacturer's Code Table. An equipment record with an unknown manufacturer, or a manufacturer without an assigned code, preferably will be referred to the Center NEMS cataloger for the appropriate code prior to the processing of the add transaction; however, a record may be processed with "xxxxx" if the manufacturer is not listed in the NEMS Central Manufacturer's Code Table, or with "zzzzz" if the manufacturer is unknown. When the manufacturer has been verified as unknown by visual inspection of equipment, "yyyyy" will be processed. The Center NEMS Equipment Manager will ensure that "zzzzz" and "xxxxx" manufacturer codes and data entry errors are resolved in a timely manner.

f. Manufacturer's Model Number. Each equipment record in NEMS requires the equipment item model number, when known. If there is no model number, NEMS requires the word "none" in the model number field. A Center NEMS cataloger will review standardization of model numbers (e.g., model number 123A will always be entered as 123A and not as 123-A or 123/A). The Center NEMS Equipment Manager will establish a procedure to ensure standardization of model numbers.

g. Manufacturer's Serial Number. Each equipment record in NEMS requires the equipment item serial number, when known. If there is no serial number, NEMS requires the word "none" in the serial number field. Serial numbers do not require standardization procedures.

h. Date Center Acquired. Each equipment record in NEMS requires the date that the Center acquired the item. The date Center acquired is entered by each Center as equipment items transfer from one NASA Center to another. Note: NEMS automatically generates the date an item initially enters NASA and permanently records this date in the Date NASA Acquired field.

i. Custodian Account Number. Each equipment record in NEMS requires a Custodian Account Number. Each equipment item is assigned to a property custodian account located within the organization using the equipment item.

j. Federal Supply Class. Each equipment record in NEMS requires the appropriate 4-digit Federal Supply Class. NEMS provides for entry of the entire 13-position National Stock Number; however, only the 4-digit Federal Supply Class is mandatory. The Federal Cataloging Handbooks, H2 series, is used to identify and classify all equipment.

k. Acquisition Document Control Number. Each equipment record in NEMS requires the Acquisition Document Control Number. The initial addition of an item to the NEMS data base is authorized by a source document such as a purchase order, contract, receiving report, or other appropriate document. The control number on the source document is the Acquisition Document Control Number; the source document begins documentation of the audit trail for an item.

l. Capital Sensitive Code. Each equipment record in NEMS requires the appropriate Capital Sensitive Code. These

codes are the mechanism for reporting capital equipment items to the financial management organization for entry in the general ledger 1500-series accounts established for equipment. The six capital sensitive codes provide the distinction among capital, capital sensitive, noncapital sensitive, noncapital nonsensitive controlled, contractor held, and noncontrolled equipment items for reporting and control purposes.

m. Acquisition Cost. Each equipment record in NEMS requires the Acquisition Cost of the item. The acquisition cost remains with an item through its life cycle within NASA, unless the item cost has been increased or decreased by equipment modification. For a commercially manufactured item, the acquisition cost will be the purchase price of the unit and, if capital equipment, will include transportation and Center charges, and handling and storage costs if these costs are part of the purchasing document (i.e., purchase order or contract) and readily and distinctly related to an individual item purchased (see Financial Management Manual 9255-3). For a NASA-fabricated item, the acquisition cost will include production costs only, i.e., design, development, parts, and labor or contract value. For noncapitalized equipment transfers from other entities, the acquisition cost will be the amount reimbursed or, if nonreimbursable, the fair market value; and, for capitalized equipment from other entities, the acquisition cost will be the amount reimbursed or, if nonreimbursable, the net book value of the transferor (capitalized value minus depreciation costs). For a leased item, the acquisition cost field will be the estimated fair market value; when NASA takes title to a leased item, the acquisition cost will remain the initial estimated fair market value; for an outside loaned in item the acquisition cost field will be the cost provided by the loaner, or an estimated fair market value. When the acquisition cost is unknown, an estimated fair market value, based upon like items in the NEMS data base, or value, based upon engineering estimates, will be entered. The NEMS 1-position Estimated Cost Code data element, designated as an "E," will be entered when the Acquisition Cost is estimated.

n. Year Manufactured. Each equipment record in NEMS requires the year equipment was manufactured. When the year the equipment was manufactured is not known, enter the estimated year of manufacturing.

o. Status Code. Each equipment record in NEMS requires a status code. Equipment items with capital-sensitive code X (noncontrolled, nonsensitive equipment) will be reported in status code A, since they are not part of the NEMS equipment reutilization program. Status codes will be updated when the degree of availability changes for equipment items, e.g., equipment sent on temporary loan or placed in temporary storage will be changed to status code B and returned to status code A when put back into active use in the accountable property custodian account.

p. Location. Each equipment record in NEMS requires a zip code and building location. The zip code will be updated when an equipment item is temporarily moved to another zip code area but remains on the equipment records of the accountable Center (e.g., out on loan, or in use at a component location such as a tracking station). Onsite equipment will be identified to its building or other geographical location.

q. Other NEMS Data Fields. Detailed descriptions of the optional data elements may be found in the NEMS Specifications document.

APPENDIX E

NEMS DATA FIELDS

- a. Equipment Control Number. A record must contain the Equipment Control Number tag decal number assigned to the corresponding controlled equipment.
- b. Item Name. Each record must contain an item name, not to exceed 30 alphanumeric characters.
- c. Manufacturer's Code A 5-position alphanumeric manufacturer's code, derived from the Federal Logistics Data on CD (FEDLOG). The Center Equipment Manager is responsible for proper code cataloging.
- d. Manufacturer's Model Number. When known, each record will have a model number not to exceed 20 alphanumeric positions. The manufacturer's name plate data will be the standard used for this field. The special characters, e.g. dash (-), period (.), and slash (/), are used only when separating alpha characters from alpha or numeric characters from numeric. If there is no model number, enter the word "NONE."
- e. Manufacturer's Serial Number. When known, each record will have a manufacturer's serial number not to exceed 20 alphanumeric positions. The serial number may be entered with dashes and/or slashes. If there is no serial number, enter the word 'NONE.'
- f. Date Center Acquired. The year, month, and day that the current accountable Center, or a contractor at that Center, received or identified an item of equipment. The "Date NASA Acquired" is generated from the "Date Center Acquired" the first time an item is added to the NEMS data base.
- g. Custodian Account Number. A five-position alphanumeric number assigned for the current custodian accounts, except for offsite contractor-held records.
- h. Federal Supply Class. Within the 13-position numeric National Stock Number, each record must contain in the first four positions the appropriate 4-digit Federal Supply Class. The Federal Cataloging Handbooks, H2 series, will be used to identify and classify all equipment.
- i. Acquisition Document Control Number. Each record must contain the acquisition document control number, i.e., the purchase order number, contract number, receiving report number, or other appropriate document number.
- j. Capital/Sensitive Code. Each record must contain an appropriate 1-position alphanumeric, management identification code as follows:
- (1) M - Capital Equipment Nonsensitive (greater than or equal to \$5,000).
 - (2) N - Noncapital Equipment-Sensitive (less than or equal to \$4,999).
 - (3) P - Capital Equipment Sensitive (greater than or equal to \$5,000).
 - (4) Q - Noncapital Nonsensitive Controlled Equipment (greater than \$1,000, but less than \$4,999).
 - (5) E - Contractor Equipment Reportable for Reutilization (GE \$1,000).
 - (6) X - Noncontrolled Equipment (includes loan in and lease in items).
- k. Acquisition Cost. Each record must contain the equipment acquisition cost. Costs are rounded to whole dollars in a 9-position numeric field. Appendix D further describes the criteria for determining acquisition cost based upon the type of receipt.
- l. Year Manufactured. A 2-position numeric field for the year in which an item of equipment was manufactured. For an item acquired by purchase, the year purchased is used. For an item acquired by means other than purchase, the actual or estimated year of manufacture is used.
- m. Status Code. A value is assigned relative to the availability of the item of equipment for redistribution as follows:
- (1) A - Active Assigned; item unavailable in the normal conduct of business since the item is in use.
 - (2) B - Inactive Assigned; item in Center loan pool; in storage; on lease or loan out; or held by an organization for a specific, identified program or project. Items can be screened but may or may not be available for reutilization by other

organizations Centers.

n. Equipment Location by Zip Code and Building. A 5-position alphanumeric field for the U.S. Postal Service zip code is used for the geographical location of an equipment item. A 10-position alphanumeric number of the building or other general location is used for equipment location.

o. Mandatory Data Elements Generated by NEMS. Three data elements are always computer generated by NEMS when a controlled equipment record is established. They are as follows:

(1) Equipment Type Account. A 4-position numeric field from 1551-1563, designating the type of equipment is assigned for financial reporting purposes. The Equipment Type Account is generated by cross reference from the Federal Supply Group Table, which uses the first two positions of the National Stock Number Federal Supply Group as the key to the table.

(2) Date NASA Acquired. A 6-position numeric date in "yy mm dd" format that is generated from the add transaction at time of initial receipt within the Agency.

(3) Acquisition Entry Reference Number. A 10-position unique computer-generated number assigned at the time an add transaction is processed, which begins the audit trail for the item. Every transaction processed in NEMS (add, change, and delete) generates an Entry Reference Number. The Entry Reference Number consists of the following:

(a) Positions 1 - 2 - Center number (see Appendix D).

(b) Positions 3 - 6 - Julian date (yydd format).

(c) Positions 7 - 10 - yr, sequence number assigned to each transaction during the day, starting each day with 001.

p. Mandatory Fields for Certain Add Transactions. Four NEMS data fields become mandatory under certain conditions:

(1) User Number. A 6-position alphanumeric code.

(2) Condition Code. A 2-position alphanumeric code that indicates the physical condition and usability of an item of equipment.

(3) Other Government Agency. A 2-position numeric US Treasury identification number is used when an equipment record is established as a result of a Government agency providing NASA with funds for acquiring equipment or the transfer of accountability for equipment to NASA.

(4) Accountable Contractor. To establish an audit trail for an item of equipment (Government- furnished or contractor-acquired) for which a contractor is accountable under its contract, it is necessary to record it in NEMS by entering the contract number because this record is later deleted from the NEMS active files, pursuant to FAR 45.5 requirement that the contractor shall retain the official property record. However, the equipment record is reactivated when the equipment is returned to the Center.

APPENDIX F

NEMS STATUS CODES FOR EQUIPMENT

1) Status Code A - Active. Status code A is assigned to items of equipment that are in use and required in the performance of an approved NASA program or project. Items in this classification are not normally considered available for redistribution, though the holding Center may make loans when requested. This status does not mean items are necessarily in continuous use, but they are assigned an active role integral to a program need, e.g., machines in a machine shop, Space Transportation System Orbiter flight simulators, or Scout launch vehicle ground support equipment. The NEMS screening program generates inactive status codes D, C, and B, in that order. Status code A items may be screened on a field search.

2) Status Code B - Inactive Assigned

a. Items classified in status code B are not being actively used on a project, but are being held in reserve or otherwise retained for an approved program or project, e.g., Apollo equipment being retained for the Shuttle. Also see Paragraph 2.2.10., Reporting and Control of Inactive Equipment Retained by NASA Centers.

b. Status code B items will be included in the NEMS screening program of inactive items and generally should be screened by potential users. The transfer of accountability, however, will only occur with the approval of the holding Center.

c. Items generally coded B are as follows:

(1) Equipment being held for firm future programs and projects identified to a specific requirement, the planning of which has been approved by the Center Director.

(2) Equipment available for transfer of accountability from equipment pools.

(3) Equipment held in storage by operational organizations when the organization retains accountability.

(4) Equipment on loan subject to recall.

(5) Equipment being used under interagency use agreements, subject to recall.

(6) Contractor-held equipment approved by the contracting officer for use under interagency use agreements on other Government work.

(7) Inactive equipment approved for retention as a national asset.
